



Canadian Stocks: How to Earn \$100 a Week in Passive Income

Description

Using your Tax-Free Savings Account (TFSA) to buy top Canadian dividend stocks and build a passive income stream is a great way to put your hard-earned money to work.

If you can invest for the long run by consistently saving and adding money to your [TFSA](#) while letting it naturally compound, your portfolio will begin to grow rapidly.

And the best thing about [starting to invest](#) is that you can begin with even just a couple hundred dollars. Then as you save more money and your investments grow in value, you'll start to see your portfolio compound rapidly.

You can start with a goal of earning \$100 a month of passive income, for example, which could soon grow to be much more in no time.

So if you're looking to put your hard-earned capital to work and build a growing passive income stream, here's how you can start by earning \$100 a week.

How to earn \$100 a week

Earning \$100 a week or \$5,200 a year won't require a massive amount of money to begin, but it will take some significant capital.

For example, if you have been contributing to the TFSA since it was introduced, you'd have \$75,500 of contribution room. And an investor with a portfolio value of roughly \$75,000 would only have to earn a portfolio yield of 6.9% to earn \$5,200 a year.

Plus, if you buy high-quality dividend growth stocks, that amount will be consistently growing.

For example, a stock like **Enbridge** currently yields 6.6%. However, it has increased its dividend for 26 consecutive years. So even if you bought high-quality stocks like Enbridge which don't quite yield 6.9% but are consistently increasing their payout, your investment would soon be yielding much more

anyway.

And if you continue to save your money and reinvest all this passive income, you'll start to see your portfolio grow exponentially.

Buying top dividend stocks is a great way to earn passive income

One of the most important factors when it comes to building a passive income stream, as you can imagine, is picking high-quality [dividend stocks](#).

Dividend growth stocks are obviously the most ideal. But even more important than a stock that increases its dividend is one with resilient earnings.

It's far better to find high-quality companies that you can rely on for the long term. Because when companies are forced to trim or suspend their dividend altogether, not only will your passive income take a hit, but so will the value of your investment.

So it's crucial that the dividend stocks you do buy are the best of the best businesses that can contribute to a robust passive income stream for years to come.

One of the best stocks to buy now

Several Canadian dividend stocks offer the quality that passive income seekers will be looking for. One of the best to buy today, though, is **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

Algonquin is a [utility stock](#) with incredibly resilient operations making it an ideal buy for dividend investors. Not only are its operations highly robust, making the dividend ultra-safe, but they are consistently expanding, which is why Algonquin is on the Canadian Dividend Aristocrats list.

Algonquin offers water, electric, and gas utilities to customers across several different states in the U.S. Furthermore, it's one of the top companies to buy if you want exposure to renewable energy generation.

Algonquin is a promising stock for passive income seekers because it's extremely safe and also offers years of long-term growth potential. Its green energy segment, which makes up about a third of its business, offers a tonne of opportunity for growth. This is why Algonquin is such a top company to consider.

So if you're a dividend investor looking to build a growing passive income stream, Algonquin's one of the best investments you can make today.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

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