



\$15 a Day in Passive Income: 1 Stock That Can Get You There

Description

Dividend stocks are excellent financial instruments to create extra income without sweating much. The money or savings you'll use as capital remains intact while you pocket the dividends for spending or additional disposable income. You can opt to reinvest the dividends and accumulate more shares to compound your money even more.

Dividend investing is also the way to go for [people with long-term goals](#) or building a [nest egg for retirement](#). However, make sure you won't need the money anytime soon if you're taking this route. You need to lock in the money for years to achieve your objectives.

An established, mature, and [blue-chip company](#) can get you to your destination. **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) operates in the volatile mid-stream energy market, but the business model is relatively low-risk. The dividend yield is among the highest in the sector and constantly growing.

The top-tier energy stock trades at \$42.13 per share and pays an attractive 6.24% dividend. Around 2,053 shares will deliver \$1,349.40 in quarterly payouts. The amount translates to \$15 passive income per day. Using the rule of 72, your \$86,500 investment today will double in 11.45 years.

Because of panic on the part of investors, not business performance, the share price sank to as low as \$21.27 on March 23, 2020. As of November 2, 2021, the gain from its COVID low is 98%, while the year-to-date gain is 39%. Enbridge even outperforms the **TSX** (+21.43%). Also, the total return in the last 45.87 years is 49,744.66% (+14.5% CAGR).

Best-in-class infrastructure franchises

Some energy stocks slashed or stopped dividend payments during the pandemic to conserve capital and preserve the balance sheet. The \$85 billion energy infrastructure company didn't need to because it had the financial strength and stability to endure the economic downturn.

Enbridge's diversified asset base consists of liquid pipelines, gas transmission, and gas distribution. About 25% of North America's crude oil requirements pass through Enbridge's pipeline network.

The company also transports 20% of the United States' natural gas consumption through its pipelines. Regarding natural gas utility, Enbridge is the largest distributor in North America. Renewable power is the fourth franchise and growing.

Growth outlook

Enbridge has a \$16 billion secured growth capital program in place. The said program will enhance the returns of existing assets to hit its target of a long-term 5% to 7% growth in distributable cash flow. It should be achievable given Enbridge's strategic industry position and solid energy fundamentals.

The most recent acquisition will advance the company's U.S. Gulf Coast export strategy. Enbridge bought Moda Midstream to connect to low-cost and long-lived reserves in the Permian and Eagle Ford basins.

On September 29, 2021, Enbridge announced the substantial completion of the Line 3 Replacement Project, a significant milestone. According to its President and CEO, Al Monaco, the project's completion means "Enbridge can deliver the low cost and reliable energy that people depend on every day."

Five stars

I'm sure most income investors would give Enbridge a five-stars rating for its dependability and consistent dividend growth. Management commits to return capital to shareholders. It's certainly not just lip service, as evidenced by the 26 consecutive years of dividend increases. If your finances allow, invest in Enbridge this month to start receiving passive income every month in 2022.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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Date

2025/08/21

Date Created

2021/11/05

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