



Passive Income: How to Earn \$10 Per Day

Description

Rising inflation rates are already impacting investment returns. The fear of incoming interest rate hikes has combined with the surge in COVID-19 cases to throw stock markets into a state of flux. It is necessary to stay atop these volatility-inducing conditions by securing additional revenue streams in your investment portfolio.

[Dividend investing](#) is one of the best ways to generate significant returns on your investment. Creating another revenue stream through a self-directed investment portfolio can help you keep pace with and even beat inflationary markets. Today, I will discuss how you can use dividend investing to [generate passive income](#) to supplement your active income.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is an excellent stock to consider if you are looking for a way to generate passive income by putting your investment capital to work. The Calgary-based \$4.52 billion market capitalization company develops, owns, and operates a diversified portfolio of renewable power-generation facilities.

The company is well positioned to provide investors with reliable shareholder dividends through stable cash flows. It also boasts the potential to deliver long-term wealth growth through capital gains due to the rising demand for renewable energy. At writing, TransAlta Renewables stock is trading for \$16.95 per share, and it boasts a juicy 5.55% dividend yield.

Investing \$30,000 in the TransAlta Renewables stock could help you earn \$1,665 per year through shareholder dividends alone, translating to \$4.56 per day.

Extendicare

Extendicare ([TSX:EXE](#)) is another excellent dividend stock you could consider investing in if you want to create a passive-income stream. The Markham-based \$648.48 million market capitalization

company offers a suite of necessary services to older Canadian adults, including housing, care, and other related services. The company boasts considerable profit margins that position it well for continued growth in the coming years.

At writing, Extendicare stock is trading for \$7.24 per share, reflecting a 17.15% rise year over year. Despite being up by over 17% from last year, the stock is trading for an over 16% discount from its July 2021 high. It means that the stock could provide you with significant wealth growth through capital gains if it recovers to its all-time highs.

Extendicare stock boasts a juicy 6.63% dividend yield. Investing \$30,000 in the stock could help you earn \$1,989 per year through shareholder dividends, translating to \$5.45 per day.

Foolish takeaway

Investing a hypothetical \$30,000 in TransAlta Renewables stock and Extendicare stock each could help you churn out just over \$10 in passive income every day. Suppose that you have the capital to invest and contribution room in your Tax-Free Savings Account. In that case, investing in these two stocks could help you generate a significant amount in tax-free [passive income](#) to supplement your active income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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4. Newscred
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Author

adamothonman

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