



## TFSA Investors: How to Earn \$170/Month in Passive Income

### Description

The Tax-Free Savings Account (TFSA) is a gift that keeps on giving, provided that you know how to make the best use of this tax-advantaged account. Approaching [TFSA investing](#) by allocating a portion of your total contribution room to income-generating assets can help you create a reliable monthly stream of tax-free passive income.

The cumulative TFSA contribution room after the 2022 update has increased to \$81,500, if you have been eligible to invest in a TFSA since the account's inception in 2009, and you have not used any of your contribution room.

In this hypothetical scenario, you would have plenty of room to build a diversified portfolio of the [top dividend stocks](#) to generate steady and tax-free passive income without worrying about moving to a higher tax bracket.

Today, I will discuss two TSX stocks that you could use to boost your monthly income with tax-free shareholder dividends.

### Enbridge

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) is a \$105.93 billion market capitalization giant in the Canadian energy industry. The company boasts an extensive pipeline network responsible for transporting a significant portion of all the crude oil and natural gas consumed in Canada and the U.S., playing a crucial role in the economy.

The energy sector saw a surging demand in 2021, driving the prices of several energy stocks on the TSX higher. Enbridge managed to do well amid the pandemic through its natural gas transmission and gas distribution business. The energy sector's growth last year further boosted its cash flows, allowing the company to provide more significant shareholder returns.

At writing, Enbridge stock is trading for \$52.28 per share, and it boasts a juicy 6.58% dividend yield. Investing a hypothetical \$20,000 in Enbridge stock could help you earn \$1,316 per year through

shareholder dividends alone, translating to \$109 per month.

## Fortis

**Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is a no-brainer stock for income-seeking investors. Fortis is a \$27.59 billion market capitalization utility holdings company. It operates several regulated utility businesses across Canada, the U.S., Central America, and the Caribbean. The company relies on highly rate-regulated assets to generate almost its entire revenues, virtually guaranteeing predictable cash flows.

Fortis can use its predictable cash flows to fund its rising shareholder dividends. Fortis is a Canadian Dividend Aristocrat with a 48-year dividend growth streak. At writing, Fortis stock is trading for \$58.33 per share, and it boasts a 3.67% dividend yield. Investing a hypothetical \$20,000 in Fortis stock could help you earn \$734 per year through shareholder dividends, translating to \$61 per month.

## Foolish takeaway

If you have the contribution room to spare in your TFSA and you can invest \$20,000 in Enbridge stock and Fortis stock each, you could earn \$170 per month through shareholder dividends alone. Of course, this is a hypothetical scenario. Ideally, you should diversify your investment capital across several [reliable dividend stocks](#) to generate safer returns. Dividends are never guaranteed.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
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**Author**

adamothonman

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