



## Passive Income: How to Get \$437 Per Month in Your TFSA!

### Description

Did you know that you can earn up to \$437 *tax-free* every single month in your TFSA?

All it takes is a 6.44% average portfolio yield paid monthly, and you'll collect your \$437 per month.

True, 6.44% is an above-average yield. But it's not so high that it necessarily means the company in question is a house of cards about to collapse. Normally, very high yields are seen as risky, because they imply either high payout ratios or a falling stock price. But **Enbridge** has usually had a yield in the 6.5-7% range, and it has never cut its payout. In fact, it has raised its payout over time.

Today, you can contribute up to \$81,500 in a TFSA as long as you were 18 or older in 2009. That's how much it takes to generate \$437 a month with a monthly pay dividend stock yielding 6.44%. In this article, I will explore one monthly pay dividend stock that could produce these results for you.

### Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is a [Canadian pipeline company](#) that has 18,000 km of pipeline capacity. It transports oil and gas around Canada and to the United States. The company also runs storage terminals for marine exports (shipments taken by boat).

Pembina has delivered pretty good results over the last few years. According to MarketBeat, its revenue hit a high in 2019 and fell in 2020 and early 2021 before starting to climb again. In its fourth-quarter 2020 report, PPL attributed its 2020 weakness to weaker demand for oil and gas during the early months of the pandemic. This makes sense, because when the first wave of COVID hit Canada, people cut back on travel dramatically. Since then, however, the economy has begun to recover, and people have been traveling more. Demand for fuel has recovered, and oil recently touched its highest price in seven years. That's beginning to be reflected in PPL's earnings, which are rising after the dip they took in 2020.

So, we've got pretty good signs as to Pembina's business. As for the dividend itself: several sources online report Pembina [has a payout ratio in excess of 100%](#). That's not a good thing, but it may be

misleading. Sometimes GAAP earnings are impacted by non-cash factors that don't impact dividend-paying ability. If cash flow is higher than earnings, then the actual payout ratio may be lower. At any rate, PPL's earnings are growing, so it may be able to cover the dividend in the future.

## A word of caution

Before concluding, I need to offer a word of caution.

While I outlined one stock in this article that could produce \$437 a month in a maxed-out TFSA, it's not usually a good idea to put your entire portfolio in just one stock. Instead, you should spread your money out across several stocks and ETFs. That way, you reduce your risk. Here are some assets you could add to a *diversified*, 6.5%-yielding portfolio:

- **BMO Covered Call Utilities ETF** (7.4% yield)
- Enbridge (6.7% yield)
- **Northwest Healthcare Properties REIT** (6.10% yield)

If you spread your money out across PPL stock and a variety of assets like those listed above, you'll have a well-diversified portfolio yielding 6.5% or more. Not all the stocks/REITs above pay monthly like PPL does, but they all have the yield you're looking for. So, they could be worth adding to a high-yield portfolio.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

### PARTNER-FEEDS

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**Date**

2025/07/17

**Date Created**

2022/01/28

**Author**

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