



Passive Income: How to Easily Earn \$12 Every Single Day

Description

Investing for passive income should be just that, passive. However, assets associated with passive income like investment properties, condo/vacation rentals, franchises, or small businesses can be both costly and take up a lot of time and energy. Likewise, most bonds are earning a negative return right now because inflation is high (less buying power) and interest rates are incredibly low.

The stock market is a perfect place to earn passive income

That is why I believe the [Canadian stock market](#) is one of the best places to collect regular, reliable passive income. Firstly, you get liquidity. Buying and selling stocks is inexpensive and there is always an open market (so long as you are willing to sell or buy what the market is willing to pay/sell at).

Secondly, you get diversity. With stocks you don't have to be stuck with a large investment in one business or asset class. You can buy a wide array of assets including real estate, infrastructure, technology, or commodities. Owning a large industrial warehouse is likely unaffordable to most Canadians. Yet, you can own a piece of an entire industrial real estate portfolio with stocks.

Now this comes with a caveat. The stock market is also challenging for both the above reasons. Liquidity means the stock market has ups and downs. The only way to counteract this is to own good quality stocks (businesses with good balance sheets, economic moats, great assets, smart managers, and stable growth tailwinds) and own them for the long term.

Earn \$10 per day in passive income from stocks

The stock market goes up way more than it goes down. However, the “down” part of the market can be frightening. Consequently, it is crucial to have an iron stomach, a strong understanding of the stocks you own, and the ability to “keep calm and carry on” for the long term. If you are prudent, you could actually build a passive [dividend](#) stream that earns as much a \$12 per day or \$4,380 per year. Here's how you could do it.

Firstly, you will need about \$75,000 of capital. If you saved \$1,500 every month, you could have \$75,000 of capital in five years (or less if you consistently invested that monthly savings).

Enbridge

One of the first passive income stocks you could consider is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). It pays a really attractive 6.6% annual dividend yield. If you put \$25,000 into Enbridge, you could earn around \$411.25 every quarter. That equals about \$4.50 daily. Enbridge operates one of North America's largest energy infrastructure businesses.

It transports 25% of oil produced in North America and around 20% of natural gas consumed in the U.S. Frankly, its operations are essential to the functioning of the North American economy. That means it can collect very stable, reliable stream of cash flow. It is investing heavily in [renewables](#) and energy alternatives, so it is well-positioned for the green energy transition. It is a great passive income stock to hold as an anchor in any portfolio.

BCE

Another stock to buy and hold for passive income is **BCE**. Like Enbridge, this is a great Canadian blue-chip stock to own. Today, it pays a 5.36% dividend. If you put \$25,000 into this stock you would earn \$335 every quarter. That equals \$3.67 every day. Everyone needs internet and cellular coverage, so it is hard to see that dividend stop paying out any time soon.

Northwest Healthcare REIT

Lastly, you could put another \$25,000 into **Northwest Healthcare Properties REIT**. It operates a low-risk portfolio of health care and hospital properties across the world. Regardless of the economy, health care is essential, so these properties capture a very predictable stream of rents. It pays a 6.1% dividend today. That would produce a \$127 monthly distribution. That equals around \$4.18 every day.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

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