



Top 3 Monthly Dividend Stocks for Passive Income in 2022

Description

Passive-income investors focus on yield and capital accumulation. What they forget is that the timing of cash flows is just as important. Receiving dividends or income once a year while you need the money to pay bills every month isn't ideal.

If you're retired or looking to quit the rat race, you need a dividend stock that pays out every month. With that in mind, here are the top three monthly dividend stocks on my radar for 2022.

Monthly dividend stock #1

Exchange Income Fund ([TSX:EIF](#)) is a top pick for monthly income. The company is designed to generate steady and consistent cash flows that are insulated from the rest of the economy. EIF focuses on essential air transport and service companies. That means it acquires and operates air ambulance, medical delivery, emergency air transport, and cargo services.

The company's portfolio includes Westtower Canada, which helps build cell phone towers with air transport and Moncton Flight College, a training school for pilots. Niche air transport related services like these are detached from the traditional economy. They're also relatively lucrative.

EIF pays out a 5.5% dividend yield, which is delivered to investors every month. In other words, a \$100,000 investment in the company could help you generate \$458 in monthly passive income.

Monthly dividend stock #2

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is another monthly dividend stock. As the name suggests, Pembina operates oil and gas pipelines across the country. Growing demand for crude oil has pushed volumes and prices to record highs. That's good news for the pipeline companies.

Building out energy infrastructure is expensive. In recent years even large producers haven't invested much in production or distribution because of low oil prices. Now that prices are higher, they're still

being conservative with fresh investment. That's what makes Pembina's services so valuable.

The company's natural competitive advantages have allowed it to boost dividends by a compounded annual growth rate of 4.4% over the past 11 years. This year, the boost could be significant as the [price of crude oil reaches \\$100](#).

Pembina currently pays a 6.4% dividend yield which could be higher by the end of the year. The dividend is paid out on the 15th of every month, which makes the stock a prime target for passive-income seekers.

Monthly dividend stock #3

The final pick on this list is perhaps the most conventional. **Atrium Mortgage Investment** ([TSX:AI](#)) invests in real estate mortgages across the country. Because of its structure as an income fund, the dividends are remarkably attractive. Atrium Mortgage pays a 6.6% dividend yield, and the payout is delivered every month on the 12th.

The stock could be susceptible to rising interest rates this year. However, it trades at a price-to-earnings ratio of 14, which means the downside risk is limited.

Keep an eye on this monthly passive-income opportunity.

CATEGORY

1. Investing

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1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:AI (Atrium Mortgage Investment Corporation)
3. TSX:EIF (Exchange Income Corporation)
4. TSX:PPL (Pembina Pipeline Corporation)

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