



## TFSA Investors: Make \$400 in Passive Income This Month Alone!

### Description

The Tax-Free Savings Account (TFSA) has to be the best savings account for those seeking passive income. You can take out the cash any time you want, and even investing just *once* means you have income coming in to invest or cash out every quarter. Even every month!

But the hard part is finding the right stock. Right now, passive income [seekers](#) can invest up to \$81,500 in the TFSA. While I certainly wouldn't recommend putting all your eggs in one basket, there are some strategies to bring in substantial income.

In fact, you could be bringing in as much as \$400 per month, by the end of February!

### The strategy

First, let's increase that TFSA amount, shall we? No, I'm not talking about anything illegal. I'm talking about discussing the situation with your partner, if you have one. Suddenly, that \$81,500 of contribution room turns into \$163,000 of contribution room! That leaves both of you with plenty of funds with which to create a passive income investment. Yet you'll also have further room to create a diversified portfolio.

Next, you'll want to find the right stock. Now of course, that's easier said than done. Which is why I've done the heavy lifting for you. You'll want to find a company that has a yield above 5%, with a share price that's [around \\$20](#). That means you can bring in the most cash for the lowest amount possible.

But that's not all. You need to find strong stocks that have a solid future. One area I really like is the renewable energy sector. This has a lot of opportunity for patient investors. Meanwhile, you can bring in high passive income while you wait!

### My recommendation

I'm a big fan of **TransAlta Renewables** ([TSX:RNW](#)) for all the reasons above. There is trillions set to

go into renewable energy companies like TransAlta stock. Yet it is also a solid passive income stock with a 5.5% dividend yield. Further, it trades at just \$17.25 as of writing, with a consensus target price of \$19.13 by analysts.

Analysts like it as a value play in the Canadian power sector. The company has a balanced, mixed set of contracts with substantial long-term upside thanks to rising power prices. It's also trading at a huge discount compared to peers, bringing in revenue as it transitions to full clean energy production. This could also mean the potential for buybacks in the near future to bring the share price up.

## Bringing in that passive income

TransAlta's 5.5% dividend yield amounts to \$0.94 per share per year. The best part? If you're a shareholder of record by February 14, you can still have the company's monthly [dividend](#) by February 28! That means you could be bringing in potentially hundreds in passive income by the end of the month.

What would that take? To bring in \$400 per month, that would amount to passive income of \$4,800 per year. That would mean purchasing 5,106 shares as of writing. That amounts to \$88,078.50 as of writing. Far above your limit of \$81,500.

But if you split that with your partner, suddenly that turns into a far more reasonable \$44,039.25! Leaving you with almost \$40,000 to invest in other things. And you'll have combined passive income of a whopping \$400 each and every month. Starting this month alone!

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
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