



Lazy Investors: Make \$1,443 in Passive Income for Life Starting in 2022

Description

Lazy investors don't get enough credit. When it comes to investing, they choose what's easy. And why not? Easy for the most part also means safe. Especially when you look at exchange-traded funds (ETFs) in a Tax-Free Savings Account (TFSA).

Why laziness works

Let's say you're a lazy investor just starting out. You have TFSA contribution room of \$81,500 and don't know what to do with it. What do you do? First, meet with your financial advisor. Rather than read up on complicated strategies of how to become rich, this is the lazy way out. Your advisor can ask about your goals, put it in a calculator, and help you reach those goals. Done. Easy. Lazy.

Next, a lazy investor will also want to not lose sleep over their investments. What's the point of being lazy if it means you're constantly stressed and checking on your investments? That means finding the minimal number of investments, such as an ETF. This way, you can simply make one purchase and have access to a complete, constantly evolving portfolio.

But the one thing a lazy investor may not consider is dividends. Dividends are great because you get easy money each quarter, or even each month. That money you can use, sure, or there's another lazy trick. Simply set up automated contributions to take those dividends and reinvest them in your ETF of choice. Another lazy move making you money.

Now, the ETF

So let's say you've met with your financial [advisor](#) and have all this set up. The only thing this lazy investor doesn't have is the ETF. That's because a financial planner will likely give you options, but may not state outright which one. And if you want dividends, that at least narrows the focus a touch, but not by much.

In my humble opinion, one of the best [dividend](#) ETFs out there for lazy investors is **Vanguard FTSE Canadian High Dividend Yield Index ETF**

([TSX:VDY](#)). It has the highest dividend of the Vanguard ETFs, of course given the title. That dividend comes out to about \$1.63 per share per year.

And this is a dividend exceeding its own benchmarks these days. It holds 39 stocks, with a market cap of \$76 billion. Its earnings growth rate has risen by 7.5% in the last five years, and it still trades within value territory at 14.3 times earnings. In the last year alone, the shares are up 31%.

Making that money

Shares of the Vanguard ETF currently trade at \$46 per share. If you were to use half of your TFSA contribution room, a lazy investor would then have \$40,750 to invest. That would get you 885 shares as of writing for a total of \$1,442.55 in annual dividends. That comes out to \$120 per month!

But it gets better. If you made that purchase and reinvested dividends through automatic contributions, you can make a killing. Let's say the same [historic](#) growth occurs over the next 20 years. That could leave you with a portfolio worth \$332,348! That's returns of \$291,608! Not bad for a lazy investor.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:VDY (Vanguard FTSE Canadian High Dividend Yield Index ETF)

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