



Passive-Income Investors: Sit Back and Get \$10 a Day

Description

Seldom is there a way to earn true passive income. Active work is definitely required in the beginning to choose investments that qualify for your financial goals and risk tolerance. Even after selecting the right investments, it still requires more work after.

For example, real estate investing requires property management and maintenance. Landlords either take care of it themselves or hire someone else to do the work. The former option easily leads to another side job that may defeat the original purpose of earning passive income. The latter option results in higher operating costs for the long-term investment.

[Dividend investing](#) may be a simpler way to earn passive income. Let's assume we want to start earning \$10 a day or \$3,650 per year in passive income from dividend stocks. The Canadian stock market, using **iShares S&P/TSX 60 Index ETF** as a proxy, yields about 2.55%. It would require an investment of approximately \$143,138 to generate \$3,650 a year. However, you can earn greater income from carefully choosing a basket of dividend stocks. The focus should be on dividend safety.

This safe dividend stock yields 3.73%

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is a quick-service restaurant company with four brands under its umbrella: Burger King, Tim Hortons, Popeyes Louisiana Kitchen, and Firehouse Subs.

The business impact on QSR should be limited from the Russian invasion of Ukraine. The company has no corporate restaurants in Russia. Through a joint partnership, it does have franchised Burger King locations there that make up about 2.6% of its total restaurant count. Due to the Russian invasion, Restaurant Brands have demanded its main operator there to suspend the restaurant operations, and it has suspended all corporate support for the Russian market. All told, the Russian contribution to its bottom line is immaterial.

The dividend stock generates substantial free cash flow every month. In the trailing 12 months, it generated sufficient free cash flow to cover the dividends and growth capital with over US\$506 million

left over.

Restaurant Brands International has a long growth runway internationally. For instance, it's planning to open 300 Tim Hortons locations across India over the next decade. To put it in perspective, currently, there are 5,100 Tim Hortons restaurants across 13 countries.

QSR stock is a Canadian Dividend Aristocrat that can continue increasing its dividend. So, expect to earn passive income of more than 3.73% over time in the discounted stock that can experience price gains of about 22% over the next 12 months based on the near-term consensus price target.

The first dividend stock is just a start!

Buying QSR stock today requires an investment of about \$97,856 to earn \$3,650 per year, or essentially \$10 a day, in passive income. Buying the first dividend stock is just a start! Besides, with \$0 commission trading available at certain [online brokerages](#), it makes good sense to diversify your investments across a basket of quality dividend stocks for passive income.

Begin your research with dividend stocks that pay out yields of 3-5%. This is the sweet spot, as these dividend stocks tend to provide growing dividends and safe but decent yields. On a 5% yield, you only need to invest \$73,000 to generate passive income of \$10 a day.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kayng
2. kduncombe

Category

1. Investing

Date

2025/08/25

Date Created

2022/03/18

Author

kayng

default watermark

default watermark