



Here's How to Earn \$250/Month in Passive Income

Description

Investing in stocks is one of the best ways to generate a dependable passive-income stream. Despite macro concerns and an uncertain operating environment, some TSX stocks can weather the challenges and consistently boost their shareholders' returns through dividend payments. So, if you are willing to start a passive-income stream, consider the shares of **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), and **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)).

Their strong dividend payment histories, resilient cash flows, and high dividend yields are why they appear on this list. Let's delve deeper into these stocks to know why they are dependable bets to generate a [worry-free passive income](#) for decades.

Enbridge

Enbridge is popular for consistently enhancing its shareholders' returns through increased dividend payments. For context, Enbridge's dividend has a CAGR of 10% since 1995. Further, it has been continuously paying dividend for 67 years. While its solid dividend track record is encouraging, its diverse income streams and ability to consistently grow its distributable cash flow per share indicate that it could increase its dividend steadily over the next decade.

Notably, strong energy demand and recovery in mainline volumes are encouraging. Moreover, contractual arrangements, multi-billion-dollar secured capital projects, and strategic acquisitions bode well for growth.

Enbridge stock has recovered from its lows and offers an attractive dividend yield of 5.9% at current price levels.

Algonquin Power & Utilities

Algonquin Power & Utilities has consistently paid and increased its dividend for more than a decade. Further, its dividend has an annualized growth of 10% during the same period. Notably, its solid

payouts are supported through rate base expansion that drives its high-quality earnings base. Further, its conservative business model indicates that its payouts are well protected.

For the future, Algonquin Power & Utilities projects its rate to continue to grow at a mid-teens rate, which would boost its adjusted EBITDA and earnings. It sees 7-9% growth in its earnings over the next five years, indicating that its dividend could continue to grow at a high-single-digit rate during the same period.

Overall, low-risk and regulated business, solid investment pipeline, rate base growth, and expansion of renewables capacity bode well for growth. It offers a reliable yield of 4.4%.

TC Energy

TC Energy's contracted and regulated assets and ability to grow its dividend for over two decades make it an attractive investment to generate [passive income](#). Its high-quality asset base, contractual arrangements, high utilization rate, and \$24 billion secured capital projects suggest that it could continue to grow its dividend at a healthy pace over the coming years.

Also, additional sanctioned projects, revenue escalators, and cost-saving measures are expected to support its earnings and future payouts. It's worth noticing that TC Energy recently expects to increase its dividend by 3-5% annually in the coming years. Moreover, it offers a yield of 4.9%.

Bottom line

The dividend payouts of these companies are reliable and sustainable in the long term. Further, on average, these three dividend stocks offer a yield of 5%, implying that an investment of about \$20,000 in each of these stocks could generate a passive income of \$250/month.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:TRP (TC Energy Corporation)

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