



3 High-Yield Dividend Stocks to Earn \$125/Month

Description

Starting a passive income comparable to your regular income is not possible with five-digit capital and [dividend stocks](#). Still, you can get to a reasonable number with the right stocks (if you have realistic expectations). It might not be enough to give you an alternative income source, but it can certainly augment your primary income and help you cover some of the expenses.

A non-bank mortgage lender

First National ([TSX:FN](#)) has the distinction of being the largest non-bank commercial and residential mortgage lender in the country. It's not a very difficult niche to break into, as the conservative lending approach of the big banks in Canada leaves a lot of room for such lenders, but claiming the top spot in that niche and establishing a reliable business speaks volumes in favour of FN.

As an investment, FN offers little in the way of capital appreciation, though considering it purely stagnant would not be accurate. However, the main reason to invest in this mortgage lender would be its dividends.

Not only does it offer a juicy 6% yield right now, which can turn \$25,000 into a monthly income stream of \$125, but it has also grown its payouts for 10 consecutive years, and the [payout ratio](#) is in the safe territory.

An energy aristocrat

If you want an even older and more established aristocrat, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is always a wise choice. As Canada's largest energy stock and pipeline company in North America, it's a clear industry leader. The business model is relatively steadier and partially immune to short-term oil price disruptions.

From a capital-appreciation perspective, Enbridge has started to look promising in the last couple of years. Its dividend — a magnificent yield for a blue-chip company and very generous dividend raises

— has been the primary reason investors are drawn to the stock. \$25,000 in [the company](#) could offer you a monthly income of \$127, thanks to the great 6.12% yield.

A promising REIT

There are plenty of high-yield stocks outside the select pool of Dividend Aristocrats; there are plenty of high-yield stocks. **Slate Office REIT** (TSX:SOT.UN) is an impressive choice. Not only does it check the high-yield box with its mouth-watering 7.88% yield, but it also has other things going in its favour.

The first is its attractive valuation — a price-to-earnings ratio of almost eight. The stock is eerily stable as well, and it has normalized around \$5 per share — a price level it might maintain for a relatively long time if its history is any evidence. The payout ratio is relatively stable, and the REIT has already gone through one dividend slash in the past five years (2019), so another might be a long time in coming (if it's coming at all).

You could get almost \$164 a month with \$25,000 invested at this yield.

Foolish takeaway

If you have \$75,000 to create a dividend portfolio for passive income, and these three are the only stocks you choose, you can net about \$416 a month with two aristocrats in the mix and a modestly stable REIT. It's a sizeable enough number for some small monthly expenses.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:ENB (Enbridge Inc.)
3. TSX:FN (First National Financial Corporation)
4. TSX:RPR.UN (Ravelin Properties REIT)

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