



Passive-Income Power: How to Make \$1,000/Month This Year

Description

The **S&P/TSX Composite Index** moved up 213 points on May 3. Canadian markets have been hit hard by volatility in the early spring in the face of geopolitical crises, soaring inflation, and rising interest rates. Investors may want to target [defensive stocks](#) in response to these pressures. However, Canadians may also want to pursue a passive-income strategy in their portfolios. Today, I want to discuss how you can churn out \$1,000 per month by making the right investments. Better yet, the bulk of that income can be generated tax free!

In this hypothetical, I'll be utilizing \$150,000 in invested cash to churn out this passive income. I will stash \$81,500 in the Tax-Free Savings Account (TFSA), and the rest will be in a standard investment cash account. I will spend roughly \$50,000 on three individual [dividend stocks](#). Let's jump in.

This monthly dividend stock offers a 7.6% yield

Timbercreek Financial ([TSX:TF](#)) is a Toronto-based mortgage investment company that provides shorter-duration structured financing solutions to commercial real estate investors around the country. Shares of Timbercreek have dropped 5.8% in 2022 as of close on May 3. This has pushed the stock into negative territory in the year-over-year period.

The stock closed at \$9.02 per share yesterday. In our hypothetical, we'll look to snatch up 5,540 shares of Timbercreek for a total of \$49,970.80. We'll keep that investment in our investment cash account for now.

This stock currently offers a monthly dividend of \$0.058 per share, which represents a 7.6% yield. That will let us generate roughly \$321/month going forward. Moreover, we'll be able to earn \$3,855 in [passive income annually](#).

Here's a stock that can bolster your passive-income portfolio in 2022

Canoe EIT Income Fund ([TSX:EIT.UN](#)) is the second dividend stock I'd choose to build a passive-income portfolio. This Calgary-based income fund was launched by Canoe Financial. It invests in a diversified portfolio of high-quality securities. Shares of this income fund have increased 4.4% so far in 2022. It has jumped 19% year over year.

The fund closed at \$13.89 per share on May 3. We can snatch up 3,600 shares of Canoe EIT Income Fund for a purchase price of \$50,004. In this instance, we'll be holding all our shares of Canoe in our TFSA.

Shares of this income fund offer a monthly distribution of \$0.10 per share. That represents a monster 8.6% yield. We can generate \$360 per month in our TFSA with these holdings. That translates to \$4,320 in tax-free annual passive income.

One REIT that can fuel your passive-income dreams

Slate Office REIT (TSX:SOT.UN) is the third dividend stock I'd look to snatch up in our hypothetical passive-income portfolio. This real estate investment trust is focused on North American office properties. The sector looked to be in jeopardy during the COVID-19 pandemic, but we are gradually seeing a return to the workplace. This REIT has dropped marginally in the year-to-date period.

The REIT closed at \$4.98 per share on May 3. For this final purchase, we'll snatch up 10,040 shares of Slate Office REIT for a purchase price of \$49,999.20. We can hold about \$31,500 of that total in our TFSA with 6,325 of those shares.

Slate Office REIT last paid out a monthly dividend of \$0.033 per share, representing an 8% yield. We can generate passive income of \$208.72 in the TFSA and \$122.59 in the regular cash account. This works out to approximately \$331 per month.

Bottom line

Investors can rely on a monthly passive-income payout of roughly \$1,012 per month with these investments. Just under \$570/month will be tax free! That works out to over \$12,000 in annual passive income.

CATEGORY

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2. TSX:RPR.UN (Ravelin Properties REIT)
3. TSX:TF (Timbercreek Financial Corporation)

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