



3 Passive-Income Stocks for a Million-Dollar Portfolio

Description

Motley Fool investors know now more than ever the importance of passive-income stocks during a volatile market. Furthermore, they know the necessity of having strong, stable performers. You want your portfolio to keep moving upwards for the most part, and right now could feel quite discouraging.

However, today, I'll be recommending three passive-income stocks that could see your investment turn into \$1 million over the next few decades. By simply creating an investment, contributing regularly, and reinvesting dividends, you could see your shares create a million-dollar portfolio in a far less dramatic fashion than growth stocks.

First, the stocks

The three passive-income stocks I'm going to focus on each belong to solid industries. Further, they've offered dividend income for years that doesn't look like it will be going anywhere. Finally, these industries continue to expand, with shares rising higher and higher even today.

First up, we have **Loblaw** ([TSX:L](#)) — what might be considered the king of all grocery stocks. The company has a variety of retail stores under its umbrella, including low-cost [grocery chain](#) No Frills, Shoppers Drug Mart, and the President's Choice Loyalty program. It's now one of the solid passive-income stocks offering a yield of 1.24% as of writing. Shares are also up 74% in the last year alone.

Then we have **Dream Industrial REIT** ([TSX:DIR.UN](#)) to consider. Industrial companies are strong investments, as e-commerce continues to thrive. Even in a fall back, these warehouses and assembly locations are strong investments towards the future. And right now, Dream is at the top of that list. It currently offers a 4.68% dividend yield and trades at 5.39 times earnings, and its shares are up 42% in the last two years.

Finally, I would consider a Big Six bank, and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is a stellar option. The Big Six banks offer protection during economic downturns, rebounding to pre-crash levels within a year. That included BMO stock, that continues to have peer-beating boosts to its dividend. Shares are up 16% in the last year, it trades at 10.42 times earnings, and it offers a 3.91% dividend

yield.

Make that million

Let's say you were to use your Tax-Free Savings Account (TFSA) towards this million-dollar portfolio. You put aside a third to each stock and added a third of your future contributions to each over the next few years. Then, you reinvested the dividends from these passive-income stocks.

This would mean you would put \$21,767 towards each stock and add \$2,000 each year. If you did that, reinvesting your dividends along the way, we would hope then for similar [historical growth](#). To make a million dollars in your portfolio, it really wouldn't take that much time at all.

Over the next 17 years, your Loblaw shares would become \$532,334, Dream REIT would become \$190,389, and BMO stock would become \$307,031. That would add up to a portfolio worth \$1,029,754 from these passive-income stocks!

Foolish takeaway

Now, do I think you should take every cent of your TFSA and put it towards just these three passive-income stocks? No way. However, it does go to show that investing even a smaller amount can lead to stable, strong growth. Furthermore, you can use it to grow your passive-income portfolio for decades to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:DIR.UN (Dream Industrial REIT)
4. TSX:L (Loblaw Companies Limited)

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