



RRSP Investors: 2 Passive-Income Stocks to Make \$545/Month for Life

Description

The market volatility seems to be somewhat under control on the **TSX** today, but only barely. Even still, any type of market performance really shouldn't keep long-term investors from investing in the market.

In fact, it could be argued that now is a fantastic time to buy up long-term stocks. You can still purchase them at a low share price and see them recover. More importantly, if you choose the right companies, you can set yourself up for long-term growth.

That's why using a [Registered Retirement Savings Plan](#) (RRSP) is a great option. You can set your investments and forget about them, because taking them out would mean taxing yourself. Furthermore, by investing in an RRSP, you can reduce your net income, thereby potentially bringing down your taxes from the Canada Revenue Agency.

So, let's look at two solid options to get you started.

BCE

Let's start with one of the strongest companies in Canada, **BCE** ([TSX:BCE](#))(NYSE:BCE). BCE holds the largest market share of the telecommunications companies in Canada, with by far the highest market capitalization.

The company has a few things going for it. There's the long history of its run as the strongest of the telecommunications companies. It's seeing revenue climb thanks to the [roll out of 5G](#) and its fibre-to-the-home network. Then there's also its long-standing history as a passive-income payer and grower.

BCE stock now trades up just 3% year to date, down 7% from 52-week highs. This gives you a solid growth strategy by jumping in now. Furthermore, you can lock in a 5.4% dividend yield.

Capital Power

If you've been following my work, you won't see me write a lot about the oil and gas sector. That's because, as I've mentioned, long-term investments are the best strategy. As the world transitions towards clean energy, I'm afraid investing in oil and gas long term could set you up for failure.

Instead, I'd choose a company like **Capital Power** ([TSX:CPX](#)) as a long-term hold. It has the benefit of holdings in the oil and gas industry to see growth in the short term. However, long term, it also creates renewable and thermal power through its generation facilities throughout Canada and the United States.

The company develops but also acquires companies, now operating about 6,600 megawatts of power at 26 facilities. It's been paying out a dividend since 2009, in which time, it's grown at a compound annual growth rate (CAGR) of 4.34%.

Strong demand for clean energy assets, the use of oil and gas for growth, and a secured growth program mean this company is a strong option for long-term investors. And that growth has been steady with a 7% CAGR for its shares.

Bottom line

If you were to take your RRSP contribution room and max out every year, splitting it between these stocks, you could create an insane amount of passive income for life. But let's say you wanted to create monthly income of \$545 per month. That would mean creating passive income of \$272.50 per month from these stocks.

You can create that right away by investing about \$69,000 in Capital Power and about \$60,500 in BCE stock. Or you can work up to it over the years. Whatever your strategy, creating \$545 per month in passive income is certainly within reach through an RRSP.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CPX (Capital Power Corporation)

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