Market Correction: How to Make $440/Month in Passive Income for the Rest of 2022

Description

North American markets have been throttled over the course of this week. The **S&P/TSX Composite Index** opened the week with a +500-point loss. On Thursday, June 16, the TSX plunged 607 points. Canadian investors should be greedy, as people turn fearful in this market correction, and this often goes beyond growth-oriented equities. Today, I want to look at undervalued dividend stocks that can help build your passive-income portfolio in the second half of 2022. In this scenario, we are going to generate that income in a Tax-Free Savings Account (TFSA).

The aging population makes this stock a solid target in this market correction

Sienna Senior Living (TSX:SIA) is a Markham-based company that provides senior living and long-term-care (LTC) services across Canada. Shares of this dividend stock have dropped 18% in 2022 as of close on June 16. Canadian investors should be interested in snatching up equities with exposure to senior living related industries. That demographic is set to erupt over the next decade.

Shares of Sienna closed at $12.39 on June 16. In this hypothetical, we'll snatch up 2,200 shares of this dividend stock for a total purchase price of $27,258. The stock offers a monthly dividend of $0.078 per share. That represents a monster 7.5% yield. This purchase will allow us to generate monthly passive income of $171.60 in our TFSA going forward. That works out to annual income of just over $2,000.

This top energy stock can power your passive-income portfolio

Canadian energy stocks have been on a tear in 2022 on the back of surging oil and gas prices. That does not look like it will let up in the near term, as inflation remains dangerously high. **Keyera** (TSX:KEY) is a Calgary-based energy infrastructure company. Its shares are still up 8.6% in 2022 after slipping 9.5% over the past week.

Keyera stock closed at $31.17 on June 16. For our scenario, we are going to snag 870 shares of Keyera for a total purchase price of $27,117. The stock last paid out a monthly distribution of $0.16 per share. That represents a tasty 6.1% yield. This stock purchase means that we will be able to churn out monthly passive income of $139.20 in our TFSA. That is a nice chunk of change, especially in a choppy market.

Market correction: Don't sleep on REITs that can provide big passive income

Real estate investment trusts (REITs) have been favourite targets for income investors over the past decade. However, rising interest rates have some worried that North American real estate is in for a very challenging period. I'm still looking to target **Dream Industrial REIT** (TSX:DIR.UN) in this climate. This Toronto-based REIT offers exposure to industrial properties. Its shares have dropped 29% in 2022.

This REIT closed at $11.92 on June 16. For our final purchase, we'll snatch up 2,275 shares of Dream for a total of $27,118. It last paid out a monthly dividend of $0.058 per share. This represents a strong 5.8% yield. That will enable us to churn out monthly passive income of $131.95 in our TFSA.

Conclusion

The market correction provides a fantastic opportunity to snatch up income-oriented equities at a discount. These investments will allow us to churn out monthly passive income of $442.75 going forward. That is a nice consolation, as investors battle this brutal market correction.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:KEY (Keyera Corp.)
3. TSX:SIA (Sienna Senior Living Inc.)

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