



Earn \$465/Month in Passive Income With These 3 Stocks

Description

Creating passive income with healthy dividend stocks that are reasonably safe and offer a decent sustainability potential can offer you more financial leverage than if you were to rely solely on your primary income. And if you don't need to use the funds you generate from your passive-income sources, you can use them to save and invest more.

A propane company

Toronto-based **Superior Plus** ([TSX:SPB](#)) has captured a niche market in North America — i.e., propane. It's one of the top marketers and distributors of propane in both Canada and the U.S., catering to about 890,000 different customer locations. The company is growing organically and through acquisitions, increasing its regional footprint.

Superior Plus stock is currently both discounted and undervalued. It's trading at a 28.3% discount from its 2021 peak, and the price-to-earnings multiple is at nine. The discount has also manifested in a juicy 6.35% yield. And if you invest \$25,000 in the company, you earn a monthly income of about \$132 if you can lock in the current yield.

Oil and gas royalties

A royalty business allows you to gain exposure to an underlying market segment without taking on *all* the risk associated with it. This makes **Freehold Royalties** ([TSX:FRU](#)) an attractive investment. You get exposure to oil and gas-producing properties, but the stake is purely financial (through royalties). This diminishes a lot of risks associated with the energy industry.

However, the more compelling reason to consider this stock is its generous dividends. The company is currently offering a compelling 7.36% yield. And even though the 21% discount has contributed to increasing the yield to this level, dividend growth is also an essential factor.

Since 2018, the company has slashed its payouts once (by a sizeable margin) and grown them about

seven times. The result is a sizeable premium on the payouts it started with.

At its current yield, the company can offer you a monthly income of about \$153 with \$25,000 invested in the company.

A mortgage company

Another company that has slashed and grown its payouts multiple times in the last five years is **MCAN Mortgage** ([TSX:MKP](#)). It's a mortgage company that focuses primarily on residential mortgages and has grown its total assets to \$3.8 billion, which is several times higher than its market capitalization. It allows for [real estate investing](#) from a different perspective and exposure level.

The company has been quite flexible with its payouts so far. It has slashed its payouts just once since 2018, and even though it has grown multiple times since then, they are still not at the 2018 level. But that's only if we don't take the generous special dividends into account.

The yield is also on another level, despite the fact that the stock is only trading at a 14% discount from its last peak. If you invest \$25,000 in the company now, you can lock in a mouthwatering 8.66% yield and earn a monthly income of about \$180.

Foolish takeaway

If you can divert \$75,000 to the three companies, you can start a monthly income of about \$465. This investment sum is even lower than a fully stocked TFSA, assuming you've only used your registered account for cash so far and haven't grown it one bit.

If you've already grown your TFSA funds to an impressive size, diverting \$75,000 away from it to start a \$465 passive income can be an easy choice.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:MKP (MCAN Mortgage Corporation)
3. TSX:SPB (Superior Plus Corp.)

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Date

2025/06/29

Date Created

2022/07/01

Author

adamothonman

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