



## Passive-Income Power: How to Make Over \$485/Month TAX FREE Starting Now!

### Description

The Bank of Canada (BoC) recently revealed that inflation was expected to hit above 8% and stay there for several months. That means that Canadian consumers will be forced to navigate challenging financial conditions this summer and likely into the fall. This is a good time to consider building a portfolio that can provide consistent passive income. Better yet, you can generate income in a [Tax-Free Savings Account \(TFSA\)](#) that allows you to churn out tax-free dividends.

Today, I want to discuss how you can make \$485/month in tax-free passive income starting today. In this scenario, we are going to be using all our \$81,500 in TFSA room. Let's jump in.

### This dividend stock offers nice value and a big yield

**First National (TSX:FN)** is a Toronto-based company that originates, underwrites, and services commercial and residential mortgages in Canada. Shares of this dividend stock have dropped 15% in 2022 as of close on July 18. The stock is down 25% from the previous year.

Investors can expect to see the company's second-quarter 2022 results on July 27. In Q1 2022, First National saw mortgages under administration (MUA) increase 4% to \$124 billion. Meanwhile, revenues also rose 4% to \$350 million. The company has challenges on the horizon as the North American real estate market is set to face rising interest rates.

This dividend stock closed at \$36.16 per share on July 18. In this hypothetical, we can snatch up 750 shares of First National in our TFSA for a total purchase price of \$27,120. The stock offers a monthly dividend of \$0.196 per share, which represents a tasty 6.5% yield. This investment means we can generate monthly passive income of \$147 in our TFSA.

### Here's a REIT that offers nice monthly passive income

**True North REIT (TSX:TNT.UN)** is a Toronto-based real estate investment trust (REIT) that is focused on investing in commercial properties across Canada. Shares of this REIT have plunged 13% so far in

2022. That has pushed the stock into negative territory in the year-over-year period.

In Q1 2022, the REIT was able to collect about 99.5% of its contractual rent. Better yet, it delivered revenue and operating income growth of 4% and 5%, respectively, from the previous year.

The REIT closed at \$6.44 per share on July 18. In our scenario, we can buy a whopping 4,220 shares of the True North REIT for a total purchase price of \$27,176. It last paid out a monthly dividend of \$0.05 per share. That represents a monster 9.2% yield. These holdings will allow us to churn out tax-free monthly passive income of \$211.

## One more dividend stock to round out your passive-income portfolio

**Bird Construction** ([TSX:BDT](#)) is the third dividend stock I'd look to snatch up to bolster your passive-income portfolio today. This Mississauga-based company operates as a general contractor. Its shares have plunged 29% so far in 2022.

This stock closed at \$6.95 per share on July 18. For our final purchase, we'll snag 3,910 shares of Bird for a total price of \$27,174. It offers a monthly distribution of \$0.033 per share. That represents a strong 5.6% yield. This means we can make monthly passive income of \$128 in our hypothetical TFSA.

## Bottom line

These investments will allow us to churn out monthly passive income of \$487 in our TFSA going forward.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BDT (Bird Construction Inc.)
2. TSX:FN (First National Financial Corporation)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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