



## Dividend Seekers: Create \$287 in Monthly Tax-Free Income for Life!

### Description

Practically every investor should at some point seek out a great dividend stock. And the [Tax-Free Savings Account](#) (TFSA) gives you a fantastic opportunity to do just that. By finding a great dividend stock, you can latch onto tax-free passive income that pays out no matter what the market does.

### Why that matters

It should be clear to Motley Fool investors why this matters right now. The **TSX** today continues to trade down 10% year to date. This includes many companies where investors would have looked for a great dividend stock. But instead of looking at this as a negative, see today's downturn as a positive instead.

Right now, you can latch onto a great dividend stock and get a higher yield thanks to the downturn. Motley Fool investors can therefore bring in higher passive income than they would have a year ago for the same investment. Furthermore, you can look forward to your returns rebounding after this current market correction is over.

So, here's where I'd invest on the TSX today.

### Valuable monthly passive income

If you want a dividend stock that offers value and monthly passive income, it's important to look at strong spaces that will be around for decades to come. That way, you'll know your income will continue coming in, even during recessions. Furthermore, it makes your investment one where you can set it and forget it.

A great option I would consider on the TSX today is **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)). NorthWest is a healthcare [real estate investment trust](#) (REIT) that continues to grow its global portfolio, buying up a diverse range of healthcare properties. It offers incredible value, trading at 7.08 times earnings, and continues to report record-setting earnings.

Yet shares of the dividend stock are down 4.3% year to date. You'll notice that compared to the TSX today, that's not all that significant. Furthermore, if you look back, the company has enjoyed share growth of 68% in the last five years. That's a compound annual growth rate (CAGR) of 10.96%!

## Get in on a valuable dividend

As for its dividend, NorthWest stock offers a 6.23% dividend yield as of writing. That comes to \$0.80 per share annually. I'll be honest; that dividend hasn't grown since coming on the market. While that could be seen as a negative, I think it means the company is stable.

With an ultra-high dividend yield and shares trading in value territory, now is certainly the time to jump on this dividend stock. So, if you want to create \$287 in monthly income, this is how you do it.

That income comes to \$3,444 per year. To get there, you would need to buy up 4,305 shares, which would cost you \$55,147 on the TSX today. That's a significant investment. But it can still fit into your TFSA, allowing you to create all that passive income, tax free.

And let's say you took that investment and left it for another five years, reinvesting your dividend income. In another five years, you could have a portfolio worth \$116,252 at current historical growth rates. That's more than *double* your initial investment – not bad for a solid dividend stock.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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