



TFSA Passive Income: 3 Amazing Stocks That Earn \$320 Every Month

Description

The [Tax-Free Savings Account](#) (TFSA) is perfect for accumulating investment income. Every dollar invested and earned in the TFSA is completely safe from the Canada Revenue Agency (CRA). As a result, investors can very quickly accumulate wealth.

Quickly compound passive income in your TFSA

[Canadian investors](#) can buy dividend stocks, collect regular dividends (and pay no tax), and then re-invest those dividends into more dividend-paying stocks. More passive income becomes more capital that creates more passive income! Talk about an amazing cycle of wealth generation!

If you are interested in building and growing streams of TFSA passive income, there are plenty of opportunities today. As the stock market has declined, high-quality dividend stocks are now trading with elevated dividend yields.

Today is a great time to build a TFSA passive-income stream. In fact, if you put \$25,000 into each of these three top Canadian dividend stocks, you could earn as much as \$320 a month on average. Here is how.

A real estate stock for monthly passive income

Today, **NorthWest Healthcare REIT** ([TSX:NWH.UN](#)) pays a very attractive 6.23% dividend yield. On a monthly basis, it pays a \$0.0667 distribution per unit. A \$25,000 investment in NorthWest would earn just under \$130 a month, or over \$1,550 annually.

This stock is very defensive. NorthWest operates a portfolio of high-end medical properties across the globe. These include hospitals, medical office buildings, and life science campuses. NorthWest captures reliable streams of monthly cash flows due to its high occupancy and long-term leases.

The REIT is increasing its focus on asset management. It believes this will accrete strong shareholder

returns and value over the coming few years. For a stock with defensive qualities, an elevated yield, and modest growth, NorthWest is a great choice for your TFSA.

A reliable utility for income growth

Algonquin Power and Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is trading with an elevated 5.5% dividend yield today. Its five-year average dividend yield is 4.3%.

Right now, investors are getting an attractive dividend premium on the stock. Put \$25,000 to work in this stock, and you would earn \$343 quarterly, or \$114.40 averaged monthly.

Algonquin operates an attractive mix of regulated utilities and renewable power projects in North America. Investors get stable, reliable cash flows from the utility segment. They also get some growth from its large renewable development pipeline.

Management is targeting 7-9% earnings and dividend growth over the next three to five years. For a combination of modest capital returns and outsized income, this is a wonderful stock for your TFSA.

A banking stalwart for your TFSA

The last TFSA stock to consider buying is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). It is down more than 15% this year. Right now, TD stock is yielding over 4.3%. That is compared with its five-year average dividend yield of 3.8%. At 9.7 times earnings, it looks relatively cheap compared to its historic average (around 11.4 times).

TD is the second-largest bank in Canada and a large bank in the eastern United States. It has a [diverse operational mix](#) and a very well-managed balance sheet. It has been through many economic downturns previously, and it should manage well through the current decline.

If you put \$25,000 into TD stock, you would earn \$237.50 every quarter, or \$79.16 averaged monthly. TD has a long history of dividend growth, so chances are likely that your quarterly income stream will grow over the long term. This dip is a great buy for long-term-minded TFSA investors.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:TD (The Toronto-Dominion Bank)

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