Earn $370 Every Month with These 3 Dividend Stocks

Description

Amid measures taken by the central banks globally, the U.S. consumer price index rose 8.5% in July compared to 9.1% in June. However, it's still higher than the Federal Reserves' acceptable rate of around 2%. Given the inflationary environment, it's prudent to supplement yourself with secondary income, which can provide a cushion against rising prices.

Investing in monthly-paying dividend stocks is an excellent means to earn passive income. By investing the TFSA's (tax-free savings account) cumulative contribution room of $81,500 in monthly-paying dividend stocks with yields above 5.5%, an investor can earn over $370 monthly. On that note, here are three Canadian stocks with dividend yields above 5.5%.

NorthWest Healthcare Properties REIT

REITs (real estate investment trusts) are one of the best methods to earn passive income because these entities are bound to pay over 90% of their cash flows to investors. So, I have selected **NorthWest Healthcare Properties REIT** (TSX:NWH.UN), which owns and operates healthcare properties across eight countries. Given its defensive portfolio, long-term lease agreements, and tenants with government backing, the company's occupancy rate remains high.

In the June-ending quarter, the company completed acquisitions worth $934 million, including acquisitions in the United States of $775 million. Besides, the company continues to acquire and construct healthcare properties across high-growth markets, such as the United Kindom, Germany, Australia, and Canada. So, these growth initiatives could drive its cash flows, thus allowing it to pay dividends at a healthier rate. With a monthly dividend of $0.0667/share, its yield for the next 12 months stands at a juicy 6%, making it an excellent buy for income-seeking investors.

Keyera

Keyera (TSX:KEY), which posted impressive second-quarter results last week, is my second pick. Its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) increased by 41% to

$316 million amid solid performance from its marketing segment. Higher commodity prices and rising demand for iso-octane drove the financials of this segment.

After posting a solid second-quarter performance, Keyera's management raised its guidance for this year. Management expects the realized margin from its marketing segment to come in between $380-$410 million compared to its previous guidance of $300-$340 million. Further, the company is developing several pipeline and natural gas processing plant projects, including the KAPS natural gas liquids (NGL) and condensates pipeline. These growth initiatives could drive its adjusted EBITDA at a CAGR (compound annual growth rate) of 6-7% through 2025, allowing the company to maintain its dividend growth.

Keyera has raised its dividends at a CAGR of 7% since 2008. Its yield for the next 12 months stands at 5.98%.

Pizza Pizza Royalty

My final pick is **Pizza Pizza Royalty** (TSX:PZA), which posted a solid second-quarter performance on Wednesday. Increased customer visits and the reopening of non-traditional restaurants amid the easing of pandemic-related restrictions drove the company's same-store sales, which grew by 20.3%. Besides, the company opened three new restaurants over the last six months, driving its royalty pool sales. Supported by its sales growth, the company's adjusted EPS (earnings per share) increased by 16%.

Amid improving cash flows, Pizza Pizza Royalty increased its monthly dividend by 3.8% to $0.0675/share in June, with its forward yield at 5.9%. Given its marketing campaigns, menu innovation, and restaurant expansion, I expect the growth to continue. So, Pizza Pizza Royalty is well-positioned to continue paying dividends at a healthy yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. agraff
2. rnanjapla

Category

1. Dividend Stocks
2. Investing

Date
2025/08/14
Date Created
2022/08/12
Author
rnanjapla