



Create \$500 Monthly for Life With These Passive-Income Stocks

Description

Passive-income stocks can be a great way to create cash flow, especially when considering the long haul. You can use that cash flow to put money in your pocket to help pay for bills, groceries, gas — whatever. And right now, that could be exactly what you need.

Even with inflation coming down to 7.6% in July, it's still remarkably high. There was some relief with gas prices coming down, but it remains a hard time to afford a living in Canada. But once prices even out once more, Canadians can use passive-income stocks to reinvest in their portfolio.

Why reinvest?

It's been proven time and again that long-term investing is the best way to create wealth. So, if you have the ability to take the cash from passive-income stocks and put it towards your investment, this method of compounding can create substantial cash in the long run.

But it all comes down to what you're able to afford, and for what reason. That means coming up with a budget, and a savings goal. This could be retirement, true. But it may also be paying off student loans, your child's education, or a dream vacation. By reinvesting when you're able, you can reach those goals a *lot* sooner than if you simply let your passive-income stocks climb on their own.

Three passive-income stocks to consider

If you're looking to create \$500 per month, then you want passive-income stocks that dish out dividends on a monthly basis. However, that's not the only item on your checklist. Your dividends should come from companies that will remain here decades after you buy them. If not, then there's no point in holding them long term if they could wither and die.

With that in mind, I would pick up **TransAlta Renewables**, **CT REIT**, and **Chartwell Retirement Residences**. These three companies have well over a decade in historical performance and a strong future ahead.

TransAlta for its part is in the growing sector of [renewable energy](#), which will eventually replace oil and gas companies all together. CT [REIT](#) runs the **Canadian Tire** franchises, a company that recently celebrated its 100-year anniversary and continues to run on stronger than ever. Finally, Chartwell offers entrance into the growing business of long-term care, which is set to explode as the baby boomers age.

Create \$500 each and every month

To create \$500 from passive-income stocks each month, that means you need to create \$6,000 per year. Split evenly, that comes to \$2,000 from each stock. For TransAlta, that's an investment of \$38,298; for CT REIT, it's \$39,540; and for Chartwell, it's \$35,574. That's a total investment of \$113,412 as of writing.

I'll grant you, that's a huge investment. However, look at the company's historic performance for why you would want to invest in these passive-income stocks. All in all, based on each of these company's compound annual growth rates over the last decade in both dividends and share growth, you could have a portfolio worth \$133,435 in just a decade by reinvesting dividends!

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Author

alegatewolfe

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