



## Monthly Passive Income: Earn \$560/Month With These 2 Stocks

### Description

[Dividend investing](#) is an excellent strategy that stock market investors can leverage to create a passive income stream. There is no shortage of dividend-paying stocks on the **TSX**, and most of them pay their shareholder dividends every quarter. However, there are monthly dividend-paying stocks that can supplement your active income each month.

Adding the right mix of monthly dividend stocks to your portfolio provides extra income to help cover expenses when needed. When you don't need the extra income, you can reinvest the shareholder dividends to accelerate your wealth growth through the power of compounding.

If you create a large enough portfolio of dividend stocks, you stand to earn a substantial amount through shareholder dividends alone. Today, I will discuss two monthly dividend-paying stocks and present a hypothetical scenario that illustrates how much you can earn through dividend investing.

### Freehold Royalties

**Freehold Royalties Ltd.** ([TSX:FRU](#)) is a \$2.24 billion market capitalization oil and gas company engaged in producing and developing natural gas. It has one of the largest independently owned portfolios of royalty lands in North America. Higher oil prices have boosted the broader energy industry, allowing companies in this sector to enjoy higher profit margins and substantial cash flows.

Freehold Royalties primarily generates revenue by collecting revenue royalties. This means that the company is sheltered from several risks that most of its peers face in the industry. The company does not bear operational costs or spend money on exploration. Its business model is more defensive than most in its industry, allowing the company's management to comfortably fund its monthly shareholder dividends.

As of this writing, Freehold Royalties stock trades for \$14.86 per share and has a juicy 7.27% dividend yield. Suppose you invest \$50,000 in Freehold Royalties stock. You could earn \$3,635 yearly through shareholder dividends, translating to \$302.91 monthly.

# NorthWest Healthcare Properties REIT

**NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is a Real Estate Investment Trust ([REIT](#)) that operates solely in the healthcare sector.

The \$3.11 billion market capitalization trust owns a massive portfolio of healthcare properties diversified across Canada and Europe, generating revenue through rental income from high-quality tenants. It consistently maintains a high occupancy rate, and its rental income is secure. Plus, its revenues are growing, up 4% from last year.

The government-backed healthcare system in Canada and Europe virtually guarantees strong rental income generation for the trust, translating into regular monthly returns for its investors. An extremely attractive characteristic of this REIT that is highly applicable today, is the fact that risks posed by inflation are largely mitigated. NorthWest's assets are long-leased and inflation indexed.

As of this writing, NorthWest Healthcare Properties REIT stock trades for \$13 per unit and has a juicy 6.18% forward annual dividend yield. Suppose you invest \$50,000 in this REIT. You could earn \$3,090 yearly through shareholder dividends, translating to \$257.5 monthly.

## Foolish takeaway

It's only a hypothetical scenario, but owning \$50,000 worth of Freehold Royalties stock and NorthWest Healthcare Properties REIT could enable you to earn around \$560 per month through shareholder dividends alone.

Of course, you should never allocate such a large amount to only two income-generating assets. It's a good idea to diversify your investment capital across several dividend-paying equity securities to create a more secure passive income stream.

Building a portfolio of reliable dividend stocks in a [Tax-Free Savings Account](#) (TFSA) provides the added bonus of enjoying your monthly passive income without incurring income taxes.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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