



Earn \$551 in Monthly Passive Income With These 2 Canadian Dividend Stocks

Description

High inflation and rising interest rates are continuing to haunt investors. These macroeconomic concerns have triggered a stock market selloff, with the **TSX Composite Index** trading with 9.2% year-to-date losses. The inflationary pressure is also hurting consumers' purchasing power, as they continue to cut back on discretionary expenses.

In such a tough economic environment, having a reliable source of monthly passive income really helps. While there are many ways to earn passive income each month, investing in some fundamentally strong [dividend stocks](#) could be one of the easiest ones.

In this article, I'll talk about two of the best Canadian dividend stocks that could help you earn about \$551 in monthly passive income if you have the risk appetite to invest \$45,000 in each of them right now.

Freehold Royalties stock

Freehold Royalties ([TSX:FRU](#)) is a Calgary-headquartered oil and natural gas-focused royalties company with a [market cap](#) of about \$2.2 billion. This Canadian dividend stock has a solid dividend yield of around 7.6% at the current market price of \$14.30 per share. If you invest about \$45,000 in this Canadian stock right now, you could easily earn \$283 in monthly passive income, as it distributes its dividends on a monthly basis.

In four years between 2017 and 2021, Freehold Royalties's total revenue has [risen](#) by 37% to \$206.2 million. More importantly, strengthening commodity prices and its acquisitions in recent years have helped the company increase its adjusted annual earnings by 430% during the same period to \$0.53 per share. While the prices of energy products have witnessed a correction in the last couple of months, they're still not far away from their multi-year highs with the help of consistently growing demand. Given that, you could expect Freehold Royalties to continue reporting solid earnings growth in the coming years.

Sienna Senior Living stock

Sienna Senior Living ([TSX:SIA](#)) could be another reliable dividend stock to own to earn passive income each month. This Markham-based seniors' living options firm has a market cap of \$955 million, as its stock trades at \$13.10 per share. The company owns and operates seniors' living residences in British Columbia and Ontario provinces to provide long-term-care options.

SIA stock currently has a strong yield of around 7.1% and distributes dividends every month. So, if you invest \$45,000 in its stock right now, it will help you earn roughly \$268 in monthly passive income, which is equivalent to nearly \$3,215 per year.

After the COVID-19 pandemic-related operational challenges badly affected its operations in the last couple of years, Sienna is already on a path to a healthy financial recovery. While the occupancy of its retirement residences is improving each quarter, its long-term-care occupancy continues to remain strong, as it reached 95.5% in the second quarter. During the quarter, its total same property net operating profit rose by 9.8% to \$33.1 million.

According to Sienna's estimates, the population of +85-year age group in Canada is expected to triple in the next 25 years, which could create strong demand for its seniors' living options and accelerate its financial growth. That's why apart from generating monthly passive income, its stock has the potential to deliver solid returns on your investments in the long run.

Bottom line

As I highlighted above, if you invest \$45,000 each in these two Canadian dividend stocks right now, you could expect to receive roughly \$551 in monthly passive income. That said, I highly recommend investors diversify their stock portfolio by adding some more fundamentally strong stocks to it instead of investing a big sum of money in just two stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:SIA (Sienna Senior Living Inc.)

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