



Passive Income: 3 Top TSX Stocks That Pay Dividends Monthly

Description

When it comes to earning passive income, investing in [dividend stocks](#) is one of your best bets. And fortunately, the **TSX** has no shortage of dependable dividend-paying companies with attractive yields to invest in today.

Most dividend stocks operate on a quarterly payout schedule. However, there are a few Canadian companies that pay dividends on a monthly basis.

Build a passive-income stream through dividend stocks

In addition to the frequency of the dividend payment, the yield and payout streak are two elements that should be top of mind when researching dividend stocks.

With the market as a whole down this year, yields have jumped up. As a result, it's not difficult to find a dividend that's currently yielding upwards of 5%. So, if you've been thinking of building an additional stream of income, now is an excellent time.

In terms of dependability, it's important to remember that companies have the right to cut their dividends at any point in time. That's exactly why a long-term payout streak is a major selling point of a dividend stock.

For anyone looking to build a monthly stream of passive income, here are three top companies to consider investing in.

Invest in the high-growth renewable energy sector

Of the three companies I've reviewed today, **Northland Power** ([TSX:NPI](#)) is by far the lowest yielding. At today's stock price, the company's total annual dividend of \$1.20 per share yields just shy of 3%.

Where Northland Power separates itself from other dividend stocks is its long-term growth potential.

The \$10 billion company has an international presence, offering its global customers a range of renewable energy options to choose from.

The renewable energy sector has a massive runway of growth potential. We've already seen that translate into growth for Northland Power, with shares largely outperforming the **S&P/TSX Composite Index** over the past five years.

Passive-income investors that are bullish on renewable energy should have this dividend stock on their radar.

Two monthly paying dividend stocks yielding 6%

You won't find many Canadian stocks yielding higher than 6%, let alone ones that pay a dividend on a monthly basis. However, **First National Financial** ([TSX:FN](#)) and **Northwest Healthcare Properties REIT** ([TSX:NWH.UN](#)) are two companies that do just that.

First National Financial is in the business of lending. The company originates, underwrites, and services both commercial and residential mortgages for Canadian customers.

At today's stock price, the dividend yields a whopping 6.2%.

Demand has been high since the early days of the pandemic but has understandably slowed with rising interest rates. In the short term, that may continue to be the case. But the business of home ownership is one that I'm betting will be around for many years to come.

Northwest Healthcare Properties is a Canadian [real estate investment trust \(REIT\)](#). Specializing in the healthcare space, the company's portfolio consists of long-term leases of clinics, hospitals, and other healthcare-related office buildings.

At a yield of 6.3%, Northwest Healthcare Properties is hard to miss. What flies under the radar is the company's long-term growth potential.

Despite yielding more than 6%, Northwest Healthcare Properties is still largely in growth mode, reinvesting aggressively back into the business.

This a dividend stock that can provide lots of passive income in the near term, with the potential of market-beating growth potential over the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)

2. TSX:NPI (Northland Power Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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