



TFSA Investors: How to Earn \$100 in Income Every Month

Description

Investors in the Tax-Free Savings Account (TFSA) are likely not very happy with performance right about now. The TSX today remains down by about 10% year to date, which remains far into correction territory. So, those of us with a TFSA have likely put on our blinders and remained out of the market as much as we can.

But that may be a mistake. In fact, now could be a great time to lock in passive income with dividend stocks at 52-week lows. In fact, you could be bringing in incredible passive income every single month, even by just investing in one valuable dividend stock.

The dividend stock I'd choose

Now, I'm not going to say you should invest in a passive-income stock and then sell it later. That is not a solid long-term strategy. Instead, I would tell you to invest in a stock you're sure is going to rebound after this market selloff is over.

On top of that, I would look for a dividend stock that's still in value territory. Just because a company's share price is down doesn't make it valuable. You'll want to look at its price-to-earnings ratio and how high the dividend yield is compared to normal levels.

For me, I would choose **Northland Power** ([TSX:NPI](#)) as of today. Especially for TFSA investors seeking monthly passive income that will last for decades. Let's look at why.

Cornering a huge market

NPI stock is a great choice for TFSA investors, because it's invested in [renewable energy](#). However, it's not just any renewable energy. Instead, it's focused on offshore wind farms. The company has the market share here, with many other renewable energy companies looking to nuclear power and other onshore methods.

Yet because it's in the renewable energy sector, NPI stock has fallen. And, granted, given that it focuses on the purchasing and performance of assets in a market that is still in a growth stage, inflation and interest rates are a concern right now. However, NPI stock is still one of the companies TFSA investors should consider.

That's because NPI stock offers value in multiple ways. Shares are down about 15% since its peak in August but still up 4.5% year to date. That offers some protection, even in this poor market. Plus, shares trade at just 15.93 times earnings.

Lock in a solid dividend

Finally, NPI stock is a great buy at these levels, as you can lock in a [solid dividend yield](#) that comes out monthly. Today, that dividend sits at 3.17%, coming to \$1.20 per share annually. So, if you were an investor wanting to hit \$100 per month, that would come to \$1,200 per year.

To reach that, as of writing it would take an investment of \$38,720 as of writing. That's a huge investment, and we at the Fool recommend diversifying your portfolios, but if you have the means, it could certainly be a great choice for long-term investors seeking passive income for life.

And remember, this can easily fit in most TFSAs. That means you're also bringing in life-long passive income that's all completely tax free! So, if there's one stock to consider today for passive income in your TFSA each month, it's NPI stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. alegatewolf
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2022/10/25

Author

alegatewolfe

default watermark

default watermark