



## TFSA Passive Income: Make \$430 Every Month on Repeat

### Description

The annual contribution to a [Tax-Free Savings Account \(TFSA\)](#) remained at \$6,000 in 2022. That brought the cumulative contribution room to a hefty \$81,500. It remains to be seen whether the annual contribution will remain the same in 2023. Today, I want to explore how TFSA investors can look to generate big passive income by targeting high-yield, monthly [dividend stocks](#).

It is important to note that this article is just an example of how a combination of stocks with high yields can net strong income. Investors should look to diversify your portfolio far beyond just three equities in a real-world situation.

In this hypothetical, we are going to be using all our TFSA contribution room. Let's jump in.

### Here's an undervalued energy stock that can provide big passive income in your TFSA

**Pembina Pipeline** ([TSX:PPL](#)) is the first dividend stock I'd look to target in our TFSA today. This Calgary-based company provides transportation and midstream services for the energy industry. Shares of this energy stock have climbed 12% in 2022 as of close on October 24.

The company released its second-quarter fiscal 2022 results on August 4. It delivered total revenues of \$3.09 billion compared to \$1.90 billion in the second quarter of fiscal 2021. Meanwhile, gross profit came in at \$711 million — up from \$550 million in the previous year.

Pembina closed at \$43.56 on October 24. In our hypothetical, we can snatch up 620 shares of this dividend stock for a purchase price of \$27,007. This stock offers a monthly dividend of \$0.217 per share. That represents a strong 5.9% yield. These shares will allow us to generate monthly passive income of \$134.54 in our TFSA going forward.

## This cheap REIT is a great TFSA target right now

**Dream Industrial REIT** ([TSX:DIR.UN](#)) is a Toronto-based [real estate investment trust \(REIT\)](#) that owns, manages, and operates a portfolio of industrial assets in Canada and Europe. Its shares have plunged 36% in the year-to-date period. As the chart below demonstrates, that has made up the bulk of its year-over-year losses.

In the second quarter (Q2) of 2022, Dream Industrial delivered net income growth of 7% to \$171 million on the back of fair-value adjustments to its investment properties. Total assets rose 15% from the previous year to \$7.0 billion.

This REIT closed at \$10.80 on Monday, October 24. In our hypothetical, we can look to purchase 2,520 shares of Dream Industrial REIT for a total price of \$27,216. The REIT currently offers a monthly distribution of \$0.058 per share, which represents a tasty 6.4% yield. That means we can make tax-free, monthly passive income of \$146.16 with this stock purchase.

## One more dividend stock that can provide passive income going forward

**First National Financial** ([TSX:FN](#)) is the third and final dividend stock I'd look to snatch up to round out our passive-income-oriented TFSA. Shares of First National have dropped 16% in the year-to-date period. The stock is down 22% year over year.

This stock closed at \$35.51 per share on Monday, October 24. In this scenario, we can snatch up 765 shares of First National for a purchase price of \$27,165. First National also offers a monthly dividend of \$0.196 per share, representing a 6.6% yield. This investment allows us to generate passive income of \$149.94/month in our TFSA.

## Bottom line

These investments in our TFSA will allow us to churn out passive income of \$430 every month. That is a nice chunk of change to set your watch to.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:FN (First National Financial Corporation)
4. TSX:PPL (Pembina Pipeline Corporation)

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#### **PP NOTIFY USER**

1. aocallaghan
2. kduncombe

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aocallaghan

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