



## TFSA Investor Treats: How to Earn \$143 in Income Every Month

### Description

The Tax-Free Savings Account (TFSA) is the perfect place for investors right now. You can put your cash to the side and leave it during this economic downturn. You can also use it to create passive income, all tax free!

Yet it's pretty difficult to know where to create that passive income, with shares down so low. However, there is one stock that TFSA investors can look to for passive income each month. One that's actually *up* this year, not down.

That stock is **Northland Power** ([TSX:NPI](#)).

### Market-beating performance

Northland stock is actually one of the few stocks on the **TSX** today TFSA investors may continue to see do well in 2022 and into 2023. Shares are up 6% year to date, though have dropped back by about 13% in the last two months. Because of this, it could be a great time to jump on this market-beating performer.

Yet it's more than just the company's share price that has TFSA investors excited. The company still trades near [value territory](#), at 16.2 times earnings as of writing. Further, it also trades at 2.9 times book value, making it a great deal even in terms of fundamentals.

### A solid sector

What investors should also like about Northland stock is that it's in the [renewable energy sector](#). Even more, that it focuses on creating offshore wind farms. With the world needing more arable land than ever, it's important to find clean energy that could free up land. What's more, wind speeds in the ocean are far stronger than on land.

Because of this, Northland stock may in fact corner the offshore wind market. That's a huge growth

opportunity, and diverse given that it's located in North America, Europe, Latin America and Asia. These markets provide growth opportunities within emerging markets, on top of the overall growth in the sector.

## Long-term income

Now, what investors should like *most* about Northland stock is the dividend for their TFSA. It currently offers a dividend yield at 3.01% as of writing. That dividend comes to \$1.20 per year, dished out on a monthly basis!

What's more, the company has been around for decades. So you can look back on decades of growth to see how this company has performed. I'll give you a sneak peek. Shares increased 1,210% in the last 20 years, for a compound annual growth rate (CAGR) of 13.7% as of writing. In the last decade, the dividend has increased at a CAGR of 1.06%.

## Bottom line

To create \$143 in passive income each and every month, you would need \$1,716 in annual income. That would take 1,430 shares as of writing. Right now, that would mean a total investment of about \$55,770 That could fit in your TFSA today, or be split with your partner if you have one! And you can look forward to monthly income that comes in like clockwork for decades to come.

What's more, should shares of Northland stock return to 52-week highs in the next year, you're also looking at turning that \$55,770 into \$67,210! Add in that \$1,716 in annual income and that's a return of \$13,156 in just one year.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

### PARTNER-FEEDS

1. Business Insider
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**Date**

2025/08/27

**Date Created**

2022/10/31

**Author**

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