



TFSA: Invest \$30,000 in These 3 Stocks and Get \$1,881 in Passive Income

Description

It is never too late to start earning passive income by investing in stocks. The great thing with investing right now is that [Canadian dividend stocks](#) are depressed and they pay very attractive dividend yields. If you invest through your Tax-Free Savings Account ([TFSA](#)), all that passive dividend income is tax free.

The combination of dividend income and capital gains is one reason why stocks tend to outperform over long periods of time. When you invest in your TFSA, you keep all gains and income, so it's a great way to maximize long-term returns.

If you've got \$30,000 to invest today, here are three stocks that could earn \$1,881 of annual passive income now and the potential for upside in the years ahead.

Enbridge: A legend for high passive income

If you invested \$10,000 into **Enbridge** ([TSX:ENB](#)) stock, you would be able to buy 188 shares at a price of \$53.20. Today, this passive-income stock yields a 6.56% dividend. That would earn around \$164 in quarterly passive income, or \$656 annually.

Enbridge is not a fast-growing business by any means. With a market cap of \$107.5 billion, you are going to be hard-pressed to quickly double your money. However, the company has a diversified energy infrastructure platform that earns stable and reliable income. [Pipelines and energy infrastructure](#) are harder to build these days, so the scarcity value of its assets should continue to appreciate.

Given its foreseeable capital plan, investors will likely enjoy 5-7% distributable earnings-per-share growth for the coming few years. Dividends are likely to rise at a similar rate. Given its already large dividend, that isn't a bad total expected return.

BCE: A solid blue chip

With \$10,000, you could buy 160 shares of **BCE** ([TSX:BCE](#)) for today's price of \$61.90. Given that this passive-income stock is yielding 5.95% today, you could earn \$148.75 of tax-free quarterly income or \$595 a year.

With a market cap of \$56.4 billion, it is Canada's largest telecommunications company. Like Enbridge, it is big, but growth is limited. However, it provides essential communication and data services. Its earnings are predictable, and the overall business has relatively low risk.

BCE is finishing a large-scale development plan to complete its fibre optic and 5G network. Once completed, it is expected to earn significant amounts of excess cash. That means patient shareholders should get a nice growing stream of passive income from rising dividends.

Dream Industrial REIT: Monthly passive income

\$10,000 would buy you 900 units in **Dream Industrial Real Estate Investment Trust** ([TSX:DIR.UN](#)) at \$11.11 per unit. With its 6.3% dividend yield, investors earn \$52.50 a month, or \$630 a year.

Dream Industrial REIT only has a market cap of \$2.8 billion, but it is one of the largest industrial [real estate](#) stocks in Canada. While its stock is down 35.5% this year, it has been growing its cash flow per unit by a high single-digit rate.

Its well-located properties have been garnering strong rental growth and high occupancy. While rising interest rates are a headwind, high inflation supports rental rate growth as an offset. Dream is one of the cheapest industrial REITs you will find in North America. If you just want a high stream of tax-free, monthly passive income, this is a solid stock to hold.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:DIR.UN (Dream Industrial REIT)
5. TSX:ENB (Enbridge Inc.)

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