



Get Passive Income of \$300/Month With This TSX Stock

Description

One of the most important goals every investor wants is to generate a stable and recurring income stream. Finding the stocks to get passive income can be hard, and differing quarterly payout schedules can make budgeting a frustrating thing. Fortunately, there are some stellar stocks on the market that provide juicy dividends that are paid out on a monthly cadence.

Here's a look at one of those dividend stocks and why you may want to consider buying it now.

Here's a defensive and reliable investment

The stock to help get passive income of \$300 per month is **TransAlta Renewables** ([TSX:RNW](#)). TransAlta boasts a portfolio of 50 renewable facilities that are located across Canada, the U.S., and Australia.

The facilities boast a generating capacity of 3,214 megawatts, which makes TransAlta one of the largest [renewable energy](#) generators in Canada. TransAlta's facilities include wind, solar, hydro, and gas sites.

Perhaps best of all, those facilities are bound to long-term regulated contracts, meaning that they generate a stable and recurring revenue stream. Those contracts typically span a decade or more in duration.

TransAlta is growing: opportunity is calling

One of the unique aspects of renewable energy stocks like TransAlta is that they have a huge advantage over their fossil fuel-burning peers. That advantage comes in the form of the massive transition to renewables that is underway.

In short, traditional utilities are straddled with massive transition costs stemming from cleaner policies and regulations at all levels. Those transition efforts will take a decade or longer to complete and cost

billions.

By comparison, an all-renewable operation like TransAlta is already meeting those new guidelines. This means that TransAlta can instead invest in growth initiatives.

Finally, let's talk stock price. Like much of the market, TransAlta's stock price has dropped significantly this year. As of the time of writing, the stock is down over 20%.

This makes it the perfect moment to buy a great long-term investment at a huge discount. By way of example, investors buying \$5,000 of the stock today will receive a whopping 85 more shares than they would have if they bought at the start of 2022. That translates into nearly \$7 extra per month in dividends.

Speaking of dividends...

One of the main reasons why investors turn to TransAlta is for the juicy [dividend](#) that the company offers as well as that impressive monthly payout schedule. As of the time of writing, TransAlta boasts a yield of 6.60%, making it one of the better-paying income stocks on the market.

This means that a \$55,000 investment in TransAlta will earn you passive income of \$300 each month!

Keep in mind that investors that aren't ready to draw on that impressive monthly dividend can opt to reinvest it until needed. Over a longer period, this will provide a massive boost to your eventual monthly income. That's a great plan for investors with longer timelines that may not have \$55,000 in a TFSA lying around.

In other words, TransAlta's juicy dividend and frequent payout make it a superb long-term option as a buy-and-forget investment.

How to get passive income of \$300 or more per month

All stocks, even a defensive gem like TransAlta, carry some risk. That's part of the reason why diversifying your portfolio is so important.

Generating an income of \$300 per month is attainable with TransAlta. Just make sure that investment is part of a larger, well-diversified portfolio.

CATEGORY

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