



## Need Passive Income? Lock In \$17.10 Every Month With \$6,500

### Description

The new year is coming, and with it another contribution limit added to your Tax-Free Savings Account (TFSA). And the timing couldn't be better. We're about to enter a potential recession. Should that happen, you'll want a way to make some passive income, all tax free.

The contribution limit for 2023 is \$6,500. So, based on that information, this is exactly how I would spend it.

### Find a strong passive-income stock

First off, if you're looking to gain monthly passive income, you need the right stock. There are a lot of monthly passive-income stocks on the TSX, but not all of them provide a long-term hold option.

That's why one of the best options for investors to consider in their TFSA is **Northland Power** ([TSX:NPI](#)). I like Northland stock for more than just its monthly passive income. The company has been around for decades and, in that time, seen a lot of growth. This comes from its focus on offshore wind power.

Now, you might be a little put off by the fact that Northland stock focuses on one type of [clean energy](#) solution. However, this could be *the* solution in the near future. The winds are stronger offshore, first of all, generating more power. But, more importantly, we *need* land. Because of this, offshore power offers the best option to create energy without costing our growing population any arable land.

### Strong income for years

Let's look at Northland stock for the reason you came here. It's a passive-income stock with a current dividend yield at 3.21%. While that's not the highest you've likely seen, it's *stable*. Plus, you can look forward to a bump in returns in the next year. That's what comes with Northland stock trading at just 13.66 times earnings and shares down about 18% year to date.

At this rate, investors could get far more passive income than usual. Let's look at the chart below, where I show Northland stock at its former 52-week highs and the income received, and what investors could receive at current levels from a \$6,500 investment.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
NPI: highs	\$47.13	138	\$1.20	\$165.60	monthly
NPI: today	\$37.97	171	\$1.20	\$205.20	monthly

## Bottom line

As you can see, you can gain an extra \$39.60 each year in passive income by buying today! And should it reach 52-week highs again, that's an additional return of \$1,559.23!

Altogether, you can look forward to \$205.20 per year as of writing, which comes to monthly income of \$17.10 per month. Add in the potential returns, and you *could* argue that might turn into \$147.03 per month with returns and passive income considered.

In any case, as you can see, Northland stock is an excellent option for those looking for passive income for their TFSA. It offers stellar returns, a [long term growth strategy](#), and passive income each and every month to help you out during a downturn.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

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