



TFSA: Put \$24,000 Into These Stocks and Earn \$1,200/Year in Passive Income

Description

It has been a tough year for stocks in 2022. Fortunately, [Tax-Free Savings Account](#) (TFSA) investors have reasons to rejoice for 2023. The contribution limit has been increased from \$6,000 to \$6,500 for the new year.

Plenty of room to grow your TFSA

Not only do you get to add to your total contribution limit, but you also get to add 8% more than 2022. Investors will be able to contribute a total of \$88,000. That is \$88,000 that can be invested tax free to [build wealth](#) and passive-income streams.

Even if you don't have \$88,000 in your TFSA, you can still build a substantial stream of steady passive income. In fact, you could earn as much as \$1,200 in annual passive income with as little as \$24,000. Here's one hypothetical [dividend](#) income portfolio that could yield a significant amount of annual cash.

TELUS: A great TFSA anchor stock

With \$8,000, you could buy 279 shares of **TELUS** ([TSX:T](#)) at its current price of \$28.60. TELUS stock is down 4% year to date. It's not a bad deal with a 4.9% dividend yield today. A passive-income investor would stand to earn \$97.65 a quarter, or \$390 annually, with that investment.

The great news is, further upside is likely. TELUS has a great history of growing its dividend annually. Since 2012, it has increased its dividend by an 8.3% compound annual growth rate (CAGR). The company is concluding an outsized investment cycle next year. After, it is expected to gush a lot of excess cash and management is targeting a 7-10% dividend-growth rate.

TELUS stands out as a top telecom stock for its attractive growing dividend, stable business model, and solid prospects for growth. It is an ideal anchor stock for any TFSA portfolio.

Pembina Pipeline: Energy infrastructure without too much commodity risk

Pembina Pipeline ([TSX:PPL](#)) is another solid stock for TFSA passive income. With \$8,000 you could buy 165 shares of Pembina at today's price of \$48.40. Right now, this stock yields 5.5%. The company just announced it is moving from a monthly dividend to a quarterly dividend. An \$8,000 investment would earn \$107.66 per quarter, or \$430 per year.

Energy security remains a major issue globally. That is keeping energy prices elevated. That should be a tailwind for Pembina who provides highly contracted infrastructure, processing, and egress solutions for the Canadian energy patch.

The company has lots of excess capacity, so it should be able to grow incrementally at a very low cost. If you want exposure to energy, but with limited commodity risk, this is a great stock to hold.

Dream Industrial: A cheap real estate stock

Industrial real estate has become a crucial infrastructure component to the economy. As one of Canada's last publicly listed industrial real estate investment trust's, **Dream Industrial REIT** ([TSX:DIR.UN](#)) is one of the best.

At its current price of \$12 per unit, you could buy 666 units of DIR stock with \$8,000. With a yield of 5.79%, that investment would earn \$38.84 monthly, or \$466 per year.

Dream has well located, highly sought-after properties across Canada and Europe. It also manages a joint-venture (JV) portfolio in the United States and will soon manage another [JV in Canada](#).

After falling 30% in 2022, its stock is extremely undervalued today. If you can be patient, there is likely significant upside over the coming years with this TFSA stock.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
TELUS	\$28.60	279	\$0.35	\$97.65	Quarterly
PEMBINA PIPELINE	\$48.40	165	\$0.6525	\$107.66	Quarterly
DREAM INDUSTRIAL REIT	\$12	666	\$0.05833	\$38.84	Monthly

Prices as of December 2, 2022

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIR.UN (Dream Industrial REIT)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:T (TELUS)

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