



## TFSA: Invest \$100,000 and Get \$713/Month in Passive Income

### Description

If you have been contributing to [TFSA](#) (Tax-Free Savings Account), you have the opportunity to grow your money by investing in the stock market. While you can pick stocks for your TFSA based on your risk appetite, I highly recommend investing a large part of your savings in some quality [dividend stocks](#) to keep your risks low. Apart from capital gains, you can also expect to earn reliable monthly passive income with [fundamentally](#) strong dividend stocks, even in difficult economic times, helping your TFSA savings grow, irrespective of market conditions.

In this article, I'll talk about one of the best Canadian monthly dividend stocks you can add to your TFSA now to hold for the long term. At the end of the post, I'll explain how this stock can help you earn about \$713 in passive income each month.

### Best Canadian monthly dividend stock for TFSA holders

While investing TFSA savings in the stock market could be rewarding, you must be very careful while picking stocks and avoid taking unnecessary risks by betting on stocks with weak fundamentals. Speaking of dividend stocks with strong fundamental growth prospects, **Sienna Senior Living** ([TSX:SIA](#)) could be worth considering.

Sienna is a Canadian seniors' living options provider with a [market cap](#) of \$806.6 million, as its stock currently trades at \$10.94 per share after losing 27.2% of its value in 2022. The company's primary properties, including 38 retirement residences and 42 long-term-care communities, are located in British Columbia, Ontario, and Saskatchewan. At these properties, the company provides living options ranging from independent living to assisted living to long-term care.

At the current market price, Sienna stock has an attractive annual dividend yield of around 8.6% and distributes its dividend payouts on a monthly basis.

### Key reasons to buy this stock now

In 2022, the macroeconomic uncertainties drove the stock market downward. This is one of the key reasons why the **TSX Composite Index** has lost more than 6% of its value on a year-to-date basis. While Sienna Senior Living continues to be profitable, despite facing [challenges](#), including high inflationary pressures and labour shortages, the broader market selloff has also taken a toll on its investors' sentiments, triggering a selloff in this monthly dividend stock.

After the recent selloff, I find Sienna stock [undervalued](#) — especially if we take into account its long-term growth outlook. Notably, the seniors' population in the 85-plus age group in Canada is likely to triple in the next two-and-half decades, according to the 2021 census data. But the construction starts of Canadian seniors' housing have been on a downward trajectory in recent years. Given that, you can expect seniors' living options providers like Sienna to hugely benefit from the expected significant gap between the demand and supply. This factor should help the company's financial growth accelerate in the long run and help its stock soar.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Sienna Senior Living Inc	\$10.94	9,140	\$0.078	\$712.9	Monthly
Prices as of Dec 14, 2022					

## Bottom line

Let's suppose you invest \$100,000 of your TFSA savings in Sienna stock at the current market price. You'd be able to buy about 9,140 of its shares with that money at the current market price. And based on its latest monthly dividend data, you can expect to earn roughly \$713 in monthly passive income from its dividends on these many shares.

While this example must have given a good idea of how you can grow your TFSA money over time with the help of monthly dividend-paying stocks, you must consider diversifying your portfolio by including more such stocks to it instead of relying on a single stock to generate passive income.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:SIA (Sienna Senior Living Inc.)

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