



How to Create \$250 in Passive Income Each Month for Life

Description

Right now, is a time that many investors are seeking out passive income when focusing on investments. They want as much as possible as soon as possible. Yet that's where many tend to stop when it comes to achieving their goals. And, frankly, saying you want a lot and you want it now isn't a goal at all.

Come up with a number

If you're eyeing up passive-income stocks and you want them to pay you often, then it's time to consider reverse engineering this process. For this example, I'm going to assume you want monthly cash. Furthermore, I'll assume that you want to eventually reach the goal of \$250 per month in passive income.

I do say "eventually" here. That's because investing isn't an immediate result; it's a process. The goal that one should have in mind isn't a get-rich-quick scheme. It should be a long-term investment that can help you achieve your financial goals, whatever they may be.

Northland Power

Northland Power ([TSX:NPI](#)) is a stellar option when considering passive income. The company has already climbed 1,293% in the last two decades alone. That brings in a compound annual growth rate (CAGR) of 14.06%!

Northland stock focuses on [clean energy](#) and mainly on offshore wind farms. I've been touting this company as a strong choice given that the company can produce power without using land — land that humans desperately need, as our populations grow and we need space to live, work, and eat.

Finally, Northland stock is cheap trading at 14.03 times earnings, which puts it in value territory. Its dividend yield also sits at 3.08% as of writing. That's certainly enough to bring in strong passive income in the long term.

The math

Now, to show you how to get to \$250 per month in passive income. You *could* try to invest the amount you'd need to get that today, but it would be a massive investment. You would need to [create passive income](#) of \$3,000 per year. With shares at \$39, that would take an investment of \$97,500 as of writing with dividends of \$1.20 per share!

So, let's take a bit longer. Let's say you have \$20,000 to invest in Northland stock. Then we'll assume you're willing to add \$6,000 to it each year.

Shares Owned	Annual Dividend Per Share	Annual Dividend	After DRIP Value	Annual Contribution	Year End Shares Owned	Year-End Stock Price	New Balance
513	\$1.20	\$616.37	\$20,637.28	\$6,000.00	661.98	\$44.47	\$29,438.98
661.98	\$1.21	\$803.80	\$30,252.91	\$6,000.00	796.38	\$50.70	\$40,374.37
796.38	\$1.23	\$977.25	\$41,362.53	\$6,000.00	917.29	\$57.80	\$53,014.95
917.29	\$1.24	\$1,137.55	\$54,163.76	\$6,000.00	1025.79	\$65.89	\$67,585.85
1025.79	\$1.25	\$1,285.60	\$68,882.71	\$6,000.00	1122.94	\$75.11	\$84,344.73
1122.94	\$1.27	\$1,422.27	\$85,778.04	\$6,000.00	1209.75	\$85.63	\$103,586.30
1209.75	\$1.28	\$1,548.46	\$105,145.41	\$6,000.00	1287.19	\$97.61	\$125,647.50
1287.19	\$1.29	\$1,665.04	\$127,322.69	\$6,000.00	1356.17	\$111.28	\$150,913.34
1356.17	\$1.31	\$1,772.86	\$152,695.77	\$6,000.00	1417.51	\$126.86	\$179,823.64
1417.51	\$1.32	\$1,872.70	\$181,705.30	\$6,000.00	1472.01	\$144.62	\$212,880.61
1472.01	\$1.34	\$1,965.31	\$214,854.26	\$6,000.00	1520.38	\$164.87	\$250,657.55
1520.38	\$1.35	\$2,051.40	\$252,716.66	\$6,000.00	1563.26	\$187.95	\$293,808.71
1563.26	\$1.36	\$2,131.61	\$295,947.43	\$6,000.00	1601.24	\$214.26	\$343,080.65
1601.24	\$1.38	\$2,206.55	\$345,293.72	\$6,000.00	1634.87	\$244.26	\$399,325.01
1634.87	\$1.39	\$2,276.77	\$401,607.74	\$6,000.00	1664.61	\$278.45	\$463,513.25
1664.61	\$1.41	\$2,342.77	\$465,861.45	\$6,000.00	1690.91	\$317.43	\$536,753.31
1690.91	\$1.42	\$2,405.01	\$539,163.26	\$6,000.00	1714.15	\$361.87	\$620,308.72
1714.15	\$1.44	\$2,463.91	\$622,777.12	\$6,000.00	1734.68	\$412.54	\$715,620.34
1734.68	\$1.45	\$2,519.84	\$718,144.25	\$6,000.00	1752.8	\$470.29	\$824,331.10
1752.8	\$1.47	\$2,573.16	\$826,907.94	\$6,000.00	1768.8	\$536.13	\$948,314.30
1768.8	\$1.48	\$2,624.17	\$950,941.80	\$6,000.00	1782.92	\$611.19	\$1,089,705.80
1782.92	\$1.50	\$2,673.15	\$1,092,381.96	\$6,000.00	1795.37	\$696.76	\$1,250,940.77
1795.37	\$1.52	\$2,720.35	\$1,253,663.83	\$6,000.00	1806.35	\$794.31	\$1,434,795.54

1806.35	\$1.53	\$2,766.00	\$1,437,563.99	\$6,000.00	1816.04	\$905.51	\$1,644,435.37
1816.04	\$1.55	\$2,810.31	\$1,647,247.88	\$6,000.00	1824.57	\$1,032.28	\$1,883,468.83
1824.57	\$1.56	\$2,853.45	\$1,886,324.26	\$6,000.00	1832.1	\$1,176.80	\$2,156,009.90
1832.1	\$1.58	\$2,895.59	\$2,158,907.27	\$6,000.00	1838.73	\$1,341.55	\$2,466,748.66
1838.73	\$1.60	\$2,936.88	\$2,469,687.14	\$6,000.00	1844.57	\$1,529.37	\$2,821,031.95
1844.57	\$1.61	\$2,977.44	\$2,824,010.83	\$6,000.00	1849.72	\$1,743.48	\$3,224,955.30
1849.72	\$1.63	\$3,017.40	\$3,227,974.00	\$6,000.00	1854.26	\$1,987.57	\$3,685,467.74

It's going to take 30 years, but by the time you reach retirement, you will then be able to look forward to \$250 every single month from this stock, which you can see below. That's based on historical growth in share price as well as its dividend. Meanwhile, you could end up with a portfolio of \$3.7 million!

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