



## TFSA: Invest \$50,000 in These 2 Stocks and Earn \$304 Each Month in Passive Income in 2023

### Description

If you have been contributing to your [TFSA](#) (Tax-Free Savings Account) for years, you may want to increase your savings by investing in some quality [dividend stocks](#). While doing so might not make you super rich overnight, you can still expect to earn reliable and tax-free monthly passive income if you pick your stocks carefully. In addition, you'll also get handsome returns on your investments in the long run if the share prices of the company you invest in using your TFSA increase over time.

In this article, I'll talk about two of the best Canadian stocks you can consider adding to your TFSA today to start earning \$304 in passive income each month in 2023 and beyond.

### My top monthly dividend stock pick for TFSA investors

If your primary goal of investing from TFSA is to grow savings steadily over time, you should avoid taking unnecessary risks by betting on highly [volatile](#) stocks. While highly volatile stocks may sometimes yield outstanding returns on investments in a short period of time, they could also increase your risk profile significantly.

Keeping that in mind, **Sienna Senior Living** ([TSX:SIA](#)) could be a relatively stable monthly dividend stock to buy before 2023. This Markham-headquartered company mainly focuses on providing living options for seniors in Canada and currently has a [market cap](#) of \$777.4 million. The dividend stock currently trades at \$10.71 per share and offers an attractive annual dividend yield of 8.7%.

While SIA stock has seen a 28.7% value erosion on a year-to-date basis, I find its stock [undervalued](#) at the current market price based on its long-term growth outlook. This is because the demand for seniors' living options in Canada should surge fast in the long run, as the Canadian population in the +85 years age group is [expected](#) to triple in the next 25 years based on 2021 census data. To benefit from this expected demand increase, Sienna is continuing to expand its asset base, which should help its financial growth accelerate and its stock soar in the long term.

## And a dividend stock pick from the energy sector

**Pembina Pipeline** ([TSX:PPL](#)) could be another safe monthly dividend stock worth considering as we head into 2023. While the shares of this Calgary-headquartered energy company currently trade at \$44.39 per share with about 16% year-to-date gains, it has seen nearly 12% value erosion in the last seven months, making it look cheap to buy on the dip. At the current market price, Pembina offers a decent 5.9% annual dividend yield and distributes its dividend payouts every month.

The energy firm has a market cap of \$24.4 billion and has more than six decades of experience in serving the North American energy industry, with its main focus on energy transportation and midstream services. Apart from continued strength in its business in North America, Pembina is now trying to expand its global presence, which should help its highly integrated and diversified energy business grow faster in the long term.

COMPANY	RECENT PRICE	NUMBER OF SHARES	INVESTMENT	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Sienna Senior Living	\$10.71	2,334	\$25,000	\$0.078	\$182	Monthly
Pembina Pipeline	\$44.39	563	\$25,000	\$0.2175	\$122	Monthly
Total			\$50,000	\$0.296	\$304.5	
Prices as of Dec. 19, 2022						

## Bottom line

If you invest \$25,000 each in Sienna and Pembina from your TFSA right now, you can expect to earn roughly \$304 in combined monthly passive income from their dividends. While doing so can help you earn tax-free monthly passive income for years, I always recommend that you diversify your TFSA portfolio by including more such quality dividend stocks in it to keep your risks low.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:PPL (Pembina Pipeline Corporation)
2. TSX:SIA (Sienna Senior Living Inc.)

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