



How to Create \$333 in Passive Income Every Month

Description

Fixed income has been given a lot of attention by the markets in recent months. That's likely to continue well into 2023, with a recession likely to happen during the first half of the year. But if you're going to receive a lot of passive income right away, it's going to take a huge investment.

Instead, there are two ways that you can consider making passive income that will last years. So today, I'm going to cover one dividend stock that should get you there, and see how long it would take to create \$333 in dividend and returns, as well as \$333 in only dividends.

First, the passive income stock

A great option for passive income is **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](https://www.northwestreit.com)). NorthWest stock hasn't been around all that long, but it's in the defensive sector of healthcare. Not all healthcare stocks provide this protection during a downturn, but NorthWest stock does. That's because it's an owner of healthcare properties, every single kind, in locations all around the world.

Now NorthWest stock is in its acquisitions phase. The company continues to purchase property after property, from the Netherlands to Australia to the United States. So instead of giving up its cash for dividend increases – it's currently delivering an 8.26% yield – it can pursue more growth. Therefore, putting its cash to work through acquisitions is better at this stage in the game.

Trading at just 8.2 times earnings, and down 27% year to date, NorthWest stock is an excellent choice for investors to consider today for passive income. So let's look at how to create that \$333.

Dividends and returns

First up, let's look at how long it would take to create \$333 per month when considering both dividends and returns. This means you need to come up with passive income of \$3,996 per year. And honestly, should NorthWest stock reach 52-week highs once more, this could happen in a year's time from even a small investment.

Let's say you have \$8,000 you want to put towards NorthWest stock today. Here's how that would play out by the end of the year.

Year	Shares Owned	Annual Dividend Per Share	Annual Dividend	Compound Frequency	After DRIP Value	Year End Shares Owned	Year End Stock Price	New Balance
1	840	C\$0.80	C\$670.32	monthly	C\$8,676.74	888.25	C\$14.44	C\$12,826.34

As you can see, should shares reach 52-week highs at \$14.44, combined with dividends, you would have a new balance of \$12,826.34 by that point! That's actually \$4,826.34 in returns, beating our goal. You therefore would receive about \$402.20 in passive income each month.

What about just dividends?

If you want to receive stable, fixed income from this stock, it will definitely take longer. In this case, let's say you put \$30,000 towards NorthWest stock today, then leave it alone and [reinvest](#) dividends along the way. The ultimate goal is to reach \$3,996 in annual passive income, so let's say after the first year of growth reaching 52-week highs, we continue to see historical growth at a [compound](#) annual growth rate (CAGR) of 8.56%.

Year	Shares Owned	Annual Dividend Per Share	Annual Dividend	Compound Frequency	After DRIP Value	Year End Shares Owned	Year End Stock Price	New Balance
1	3151	C\$0.80	C\$2,519.79	annually	C\$32,517.31	3326.29	C\$14.38	C\$47,816.05
2	3326	C\$0.80	C\$2,664.01	monthly	C\$50,560.97	3501.08	C\$15.61	C\$54,655.03
3	3501.08	C\$0.80	C\$2,804.24	monthly	C\$57,526.17	3670.49	C\$16.95	C\$62,204.64
4	3670.49	C\$0.80	C\$2,939.94	monthly	C\$65,209.11	3833.8	C\$18.40	C\$70,533.82
5	3833.8	C\$0.80	C\$3,070.74	monthly	C\$73,666.58	3990.65	C\$19.97	C\$79,704.28
6	3990.65	C\$0.80	C\$3,196.37	monthly	C\$82,960.06	4140.81	C\$21.68	C\$89,782.75
7	4140.81	C\$0.80	C\$3,316.64	monthly	C\$93,156.13	4284.12	C\$23.54	C\$100,841.53
8	4284.12	C\$0.80	C\$3,431.43	monthly	C\$104,326.99	4420.52	C\$25.55	C\$112,959.03
9	4420.52	C\$0.80	C\$3,540.69	monthly	C\$116,551.03	4550	C\$27.74	C\$126,220.32
10	4550	C\$0.80	C\$3,644.40	monthly	C\$129,913.33	4672.63	C\$30.12	C\$140,717.79
11	4672.63	C\$0.80	C\$3,742.62	monthly	C\$144,506.38	4788.52	C\$32.69	C\$156,551.82
12	4788.52	C\$0.80	C\$3,835.44	monthly	C\$160,430.62	4897.8	C\$35.49	C\$173,831.45

13	4897.8	C\$0.80	C\$3,922.97 monthly	C\$177,795.26	5000.68	C\$38.53	C\$192,675.23
14	5000.68	C\$0.80	C\$4,005.37 monthly	C\$196,718.99	5097.36	C\$41.83	C\$213,211.99

As you can see, it would take 14 years in this case to reach your \$333 per month, and again it would be slightly higher at about \$333.83! However, it will take far longer and a larger investment. Even so, you could end up with a portfolio worth \$213,212.

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