



TFSA: How to Make \$1,500 in Easy Passive Income in 2023

Description

The [Tax-Free Savings Account](#) (TFSA) is a great place to stash Canadian stocks that pay out passive income. Any investment income you earn in your TFSA is exempt from tax, so it's an ideal way to collect and compound *all* your dividend and capital returns.

Buy Canadian blue-chip stocks to easily earn \$1,500 in your TFSA

Given high inflation, you might be wanting to make a little [extra income](#) in 2023. Well, here is a hypothetical portfolio you could set in your TFSA that would earn as much as \$1,500 a year in passive income.

At the Fool, we recommend a widely diversified portfolio (with at least 8-10 stocks). However, this article is meant to demonstrate the level of passive income you can earn by buying some large-cap Canadian [blue-chip stocks](#) with as little as \$30,000 invested today.

Brookfield Infrastructure: A diversified infrastructure leader

Brookfield Infrastructure Partners ([TSX:BIP.UN](#)) is a terrific anchor stock for a TFSA portfolio because of its defensive, widely diversified business. Not only is it geographically diversified, but it operates essential assets across sectors like transportation, utilities, energy, and data.

This is a smart stock for a few reasons. First, it is down 18% this year and trades at a near five-year low valuation. Second, its businesses are mostly contracted/regulated and over 75% have inflation-indexed earnings. Thirdly, the company has a strong balance sheet and it can be [opportunistic](#) and acquire assets if they become cheap or distressed in a recession.

Today, this stock yields 4.5%. If you invested \$10,000 in your TFSA into BIP stock, you would earn \$114.35 quarterly or \$457.41 annually.

BCE: A solid telecom giant

If you only want income and modest upside over time, **BCE** ([TSX:BCE](#)) is a solid Canadian blue-chip stock for a TFSA. It is Canada's largest telecommunications business, which gives it a competitive and scale advantage.

Given its size, BCE is not a fast-growing business. However, it did recently spend a lot of capital to upgrade its fibre and 5G infrastructure. As it raises rates to compensate, the company should earn an outsized flow of spare cash as its investment spending declines.

BCE stock pays a big 6.17% dividend yield. Since 2008, it has increased its annual dividend rate by over 5% consecutively. A \$10,000 TFSA investment in BCE would earn \$155.04 per quarter, or \$620 annually.

TD Bank: A stalwart for an income-focused TFSA

Another Canadian dividend stalwart for your TFSA is **Toronto-Dominion Bank** ([TSX:TD](#)). TD is one of the largest retail banks in Canada, but it is also a major player in the U.S. Investors get a nice split of exposure to both economies, which can help balance out risk.

Like BCE, TD is not a high-growth stock. Its stock has compounded capital returns at around 8% annually for the past decade. Add in its dividend and it has delivered a consistent 10–12% total annual return.

TD stock has pulled back around 10% in 2022. It trades at 9.5 times earnings, which is below its longer-term average of 11.4. Likewise, its dividend yield of 4.36% is above its average near 4%.

It also has a very long history of annually increasing its dividend. Put \$10,000 of your TFSA cash to work in TD stock and you would earn \$109 per quarter, or \$437 tax-free every year.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Brookfield Infrastructure Partners	42.17	237	\$0.4825	\$114.35	Quarterly
BCE	43.76	228	\$0.68	\$155.00	Quarterly
Toronto-Dominion Bank	87.40	114	\$0.96	\$109.00	Quarterly

Stock prices as of Dec. 22, 2022

CATEGORY

1. Dividend Stocks

2. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
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