



TFSA: Invest \$10,000 and Make \$57/Month in Passive Income

Description

The [Tax-Free Savings Account \(TFSA\)](#) typically garners attention among the investment community, because it offers the opportunity to post massive tax-free growth. Indeed, when the TFSA was in its infancy, the TFSA millionaire became something of an industry legend. These were investors who were able to turn the TFSA contribution limit, which was just \$5,000 to start in 2009, into a seven-figure total. I love these triumphant tales as much as any investor, but today I want to explore how we can churn out passive income in this account on a monthly basis.

In this hypothetical, we are going to be starting out with a \$10,000 investment in our TFSA. Money is tight for Canadians right now. This investment will allow us to generate solid monthly and annual income completely tax free. Let's jump in!

This energy stock can provide monster passive income for your TFSA

Keyera ([TSX:KEY](#)) is a Calgary-based company that is engaged in the energy infrastructure business across Canada. Its shares have increased 1% in 2022 as of close on Thursday, December 22. The stock is up 2.8% year over year.

This energy stock closed at \$28.97 on December 22. For our hypothetical, we can purchase 85 shares of Keyera for a total price of \$2,462.45. Keyera currently offers a [monthly dividend](#) of \$0.16 per share. That represents a 6.6% yield. This investment will allow us to churn out monthly passive income of \$13.60.

Here's another energy stock you can trust for the long haul

Freehold Royalties ([TSX:FRU](#)) is another energy stock I'd look to target to generate big passive income. This Calgary-based oil and gas royalty company owns working interests in oil, natural gas, natural gas liquids, and potash properties in western Canada and the United States.

Shares of Freehold closed at \$15.43 on December 22. We can buy 165 shares of this energy stock for a purchase price of \$2,545.95. Freehold offers a monthly distribution of \$0.09 per share, which represents a tasty 7% yield. This investment means we can churn out tax-free passive income of \$14.85.

TFSA investors seeking monster passive income should snatch up First National today

First National ([TSX:FN](#)) is a Toronto-based company that originates, underwrites, and services commercial and residential mortgages in Canada. The housing market has hit a rough patch due to an aggressive interest rate tightening policy from the Bank of Canada. However, the market will inevitably bounce back as it benefits from very high demand, low supply, and likely the softening of interest rates before the middle point of this decade.

This stock closed at \$35.75 on December 22. TFSA investors can buy 70 shares of First National for a purchase price of \$2,502.50. Moreover, this Canadian stock last paid out a monthly dividend of \$0.20 per share, representing a very strong 6.7% yield. We can now gobble up monthly passive income of \$14 going forward.

One more passive-income generator to add to your TFSA

Extendicare ([TSX:EXE](#)) is the fourth dividend stock I'd look to add to our hypothetical TFSA today. This Markham-based company provides care and services for seniors in Canada. Its shares have dropped 11% in the year-to-date period.

Shares of Extendicare closed at \$6.57 on December 22. We can purchase 378 shares for a total price of \$2,483.46. This stock offers a monthly dividend of \$0.04 per share. That represents a monster 7.3% yield. We can now generate additional monthly passive income of \$15.12 in our TFSA.

Bottom line

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
KEY	\$28.97	85	\$0.16	\$13.60	Monthly
FRU	\$15.43	165	\$0.09	\$14.85	Monthly
FN	\$35.75	70	\$0.20	\$14.00	Monthly
EXE	\$6.57	378	\$0.04	\$15.12	Monthly

These investments will allow us to generate total monthly passive income of \$57.57. That is a solid way to kick off the new year, and for a relatively small investment of \$10,000. This works out to annual

passive income of \$690.84, which will be completely tax free.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:FN (First National Financial Corporation)
3. TSX:FRU (Freehold Royalties Ltd.)
4. TSX:KEY (Keyera Corp.)

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Author

aocallaghan

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