



## Want \$1,000 in Passive Income Every Year? Buy These 2 Stocks Right Now

### Description

The year 2022 is over, but it will remain in stock investors' memory for quite some time, as they watched their portfolios plummet significantly in value due to macroeconomic concerns-driven [market selloff](#).

While you may hope for a market recovery in 2023, the economic uncertainties are not over, which could continue to keep stocks highly [volatile](#) in the near term. Given that, it could be a wise decision for you to add some quality [dividend stocks](#) to your portfolio, which can help you earn healthy passive income, irrespective of economic cycles.

In this article, I'll talk about two of the best Canadian stocks you can buy in 2023 to earn \$1,000 in passive income every year.

### My first dividend stock pick for passive income in 2023

When you're investing in dividend stocks to minimize your risk profile, you should focus on [large-cap stocks](#) with a great business model and strong financial position. This principle will help you filter out stocks that might cut their dividends or even stop paying them in a difficult economic environment.

With that in mind, **Toronto-Dominion Bank** ([TSX:TD](#)) could be a great Canadian dividend stock to buy in 2023 — especially after a nearly 10% decline in its stock in 2022. TD Bank currently has a [market cap](#) of \$159.7 billion, as its stock trades at \$87.67 per share. At this market price, it offers a decent dividend yield of 4.4% and distributes its dividend payouts every quarter.

In its fiscal year 2022 (ended in October), TD Bank's total revenue [rose](#) 8.1% YoY (year over year) to \$46.2 billion with the help of the strong performance of its core banking operations and higher net interest income. Similarly, its adjusted earnings for the fiscal year rose by nearly 6% to \$8.36 per share, exceeding Bay Street's estimate of \$8.24 per share.

While the challenging economic environment caused a drop in its earnings from wealth management and insurance segments in recent quarters, I expect this performance to improve significantly in the

coming quarters once the macroeconomic uncertainties start subsiding.

## My second dividend stock pick for yearly passive income

**TC Energy** ([TSX:TRP](#)) could be another amazing Canadian dividend stock to buy at the start of 2023. After inching up by nearly 14% in the previous year, TRP stock slipped by 8.2% in 2022 due partly to the broader market weakness. It currently has a market cap of \$55 billion as the stock trades at \$53.98 per share. At the current market price, this stock has an impressive 6.7% dividend yield and distributes its dividend payouts on a quarterly basis.

In the September quarter, TC Energy reported a 17% YoY increase in its total revenue to \$3.8 billion and an 8% positive growth in its adjusted earnings to \$1.07 per share. Its over seven decades of experience providing energy infrastructure in North America makes it a very reliable dividend stock to own. To accelerate its financial growth further in the long term, TC Energy has increased its focus on modernizing its systems and assets with digital solutions. Given that, it could be a very reliable stock to generate passive income every year.

COMPANY	RECENT PRICE	NUMBER OF SHARES	INVESTMENT	DIVIDEND	TOTAL PAYOUT (YEARLY)	DIVIDEND FREQUENCY
TD Bank	\$87.67	131	\$11,485	\$0.960	\$503	Quarterly
TC Energy	\$53.98	139	\$7,503	\$0.9000	\$500	Quarterly
		Total	\$18,988	\$1.860	\$1,003	

Prices as of  
Dec. 30,  
2022

## Bottom line

If you want to earn around \$1,000 in combined passive income each year from the safe dividends of these two stocks, you'll need to buy about 131 shares of TD Bank and 139 shares of TC Energy. To own these many shares at the current market price, you'll have to invest about \$11,485 in TD and \$7,503 in TRP. Let's say you want to earn \$2,000 in yearly passive income. You can double the amount of money you invest in these stocks. But always remember to diversify your stock portfolio to keep your risk profile low.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:TD (The Toronto-Dominion Bank)
2. TSX:TRP (TC Energy Corporation)

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