



## How I'd Invest \$1,000 in January for Easy Passive Income

### Description

Passive income is something that many investors dream of generating. Fortunately, it can come easier than you think. [Dividend stocks](#) generally have a low barrier of entry. However, it will take a lot of capital and even more time before those dividends turn into something that can help sustain your everyday life. That's why it's important to invest in companies that make this process as easy as possible.

In this article, I'll discuss three stocks that I'd be willing to invest \$1,000 in for easy passive income.

### This company has a long history of raising its distribution

When looking at dividend stocks, one of the first things I consider is whether the company has been able to raise its dividend over the years. This is important to consider, because investors could lose buying power over time if a stock's dividend remains stagnant. That's why consulting the list of Canadian Dividend Aristocrats could be a good idea.

Looking at that list, investors can see that **Fortis** ([TSX:FTS](#)) holds one of the longest dividend-growth streaks in Canada (49 years). The company has already stated that [it has plans](#) to continue growing its dividend through to at least 2027. That long dividend-growth streak combined with an attractive forward dividend yield of 4.17% makes Fortis an easy choice for any passive-income portfolios. A \$1,000 investment could get you \$10.17 per quarter.

### Dividend-growth rates should be considered

Investors should also keep in mind how fast a company is able to raise its dividend. Generally, inflation rises at 2% on an annual basis. Obviously, this wasn't true in 2022, as consumers saw inflation increase at ridiculous rates. However, generally, a dividend-growth rate of 10% should be enough to keep investors on the right side of inflation.

**Canadian National Railway** ([TSX:CNR](#)) is a company that has been able to raise its dividend at a

compound annual growth rate of 15.7% over the past 26 years. That not only gives Canadian National one of the longest dividend-growth streaks in the country, but its growth rate has allowed shareholders to beat inflation. A \$1,000 investment in this company today could result in a dividend payout of \$4.398 on a quarterly basis.

## When in doubt, focus on blue-chip stocks

If you're looking for a larger list of prospective dividend stocks to add to your portfolio, turn towards a list of [blue-chip](#) Canadian companies. For instance, the **S&P/TSX 60** is a list of 60 large companies that lead important Canadian industries. Many of the companies included on that list have long histories of distributing dividends to investors. One benefit of investing in a blue-chip company is that you can be assured that the company has already cemented its place within the economy. That could help make it easier to hold that stock during tougher economic times.

**Telus** ([TSX:T](#)) is an example of a great stock to consider. This is one of the largest telecom companies in Canada. In terms of its dividend, the company claims one of the most impressive dividend-growth streaks in the country (18 years). Telus offers investors a forward dividend yield of 5.37%. As of this writing, \$1,000 could get you 37 shares. That would give you a quarterly dividend payout of \$12.99 based on Telus's most recent distribution.

Stock	Stock Price	Dividend Per Share	Shares Purchased With \$1,000	Total Payout Per Quarter
Fortis	\$55.20	\$0.565	18	\$10.17
Canadian National Railway	\$163.05	\$0.733	6	\$4.398
Telus	\$26.64	\$0.351	37	\$12.987

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CNR (Canadian National Railway Company)
2. TSX:FTS (Fortis Inc.)
3. TSX:T (TELUS)

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