



## How to Invest \$10,000 This Year to Create Ultra-Safe Passive Income

### Description

You don't need a lot of cash to generate passive income. The stock market enables people with all levels of wealth to invest. As opposed to an investment property or a small business, stock investing is a very cost-effective way to earn an attractive income return.

One of the best ways to offset risk is to diversify your investment holdings. With as little as \$10,000, you can build a diversified investment portfolio that produces safe passive income. Here's one way: simply buy Canadian [blue chip stocks](#) and earn \$38 per month in passive income.

### Utilities for passive income

If you want a [safe](#) and growing dividend, **Fortis** ([TSX:FTS](#)) is one of the best utility stocks. It has a 49-year history of consecutively increasing its dividend every year. Last year, it increased its dividend by 6%.

Fortis has a diversified portfolio of transmission and distribution utilities across North America. This helps offset volatility in its business.

Further, it provides growth opportunities. Right now, this passive income stock has a \$22.3 billion capital plan that should accrete 6% annual earnings growth and 4–6% dividend growth for at least five years ahead.

Fortis stock earns a 4.16% [dividend](#) yield today. Put \$2,500 into Fortis and you would earn around \$25.43 (or \$8.47 average monthly) of passive income a quarter.

### Real estate for distributions

Owning a [real estate stock](#) is a lot easier than owning a commercial property. There is no management, they are liquid, and returns can often be superior. A great stock for passive income is **Granite REIT** ([TSX:GRT.UN](#)).

It has a premium industrial real estate portfolio across North America and Europe. The REIT has an exceptional balance sheet with ample flexibility. That is important when interest rates are rising. Likewise, the REIT has good prospects for high single-digit cash flow growth in 2023.

Granite earns a 4.5% dividend yield. That means \$2,500 invested in Granite REIT would yield \$9.33 per month of passive income

## Financials for passive income

Canadian banks have a long history of being consistent dividend payers. If you want exposure, it is smartest to just own the best. With a market cap of \$180 billion, **Royal Bank of Canada** ([TSX:RY](#)) is Canada's largest stock and its largest bank.

Royal has a strong retail presence in Canada. However, it also has diversified wealth through investment/institutional services in Canada and the U.S. This bank has delivered a solid 13% total annual return over the past decade. Further growth could be supplemented by its recently announced [acquisition](#) of HSBC Canada.

In that time, it has grown its annual dividend by an 8% compounded annual growth rate (CAGR). This passive income stock is down nearly 6% over the year. It yields over 4% today. A \$2,500 investment in Royal would earn \$25.08 every quarter, or \$8.36 averaged monthly.

## Telecom giants for safe dividends

Another place for passive income resilience is in the telecom sector. Internet and wireless services are essential to businesses and individuals in the modern era. In Canada, three major carriers operate in a near monopoly. **BCE** ([TSX:BCE](#)) is the largest of these carriers.

Its business is not exciting, but it does have scale. With Canada's population quickly growing every year, there is steady demand that will not subside.

While its stock has only grown by around 3.5% a year, it does pay a big 6% dividend. A \$2,500 investment in this passive income stock would earn \$36.08 quarterly or \$12.26 averaged monthly.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Fortis	55	45	\$0.565	\$25.43	Quarterly
Granite REIT	70.66	35	\$0.2667	\$9.33	Monthly
Royal Bank of Canada	\$130.43	19	\$1.32	\$25.08	Quarterly
BCE	\$61.62	40	\$0.92	\$36.08	Quarterly

Prices as of January 6, 2023

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:GRT.UN (Granite Real Estate Investment Trust)
4. TSX:RY (Royal Bank of Canada)

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