



## Want \$3,600 in Yearly Passive Income? Buy 1,000 Shares of This Canadian Stock Now

### Description

The year 2022 didn't prove to be so good for most retail investors, especially [stock market beginners](#), as growing macroeconomic uncertainties drove the **TSX Composite Index** downward. Despite witnessing a sharp recovery in the fourth quarter, the index ended the year 8.7% down due mainly to a massive meltdown in high-growth [tech stocks](#).

In such an uncertain economic environment, it really helps if you have some quality [dividend stocks](#) in your portfolio that can help you make passive income without taking big risks.

In this article, I'll highlight one such safe Canadian dividend stock you can buy right now to earn \$3,600 in yearly passive income, which is equivalent to \$300 a month. Before I give you the math for the passive income at the end of the article, let me tell you the key reasons why I find this Canadian stock worth buying in 2023.

### A top Canadian dividend stock to buy in 2023 for passive income

As you might already know, the stock market has been highly volatile lately. Given that, you should ideally pick [fundamentally](#) strong stocks with [low volatility](#). Interestingly, many such [large-cap stocks](#) also continue to reward their investors with quality dividends even in a difficult market environment. **TC Energy** ([TSX:TRP](#)) could be a great example of such low-volatility Canadian dividend stock to buy in 2023.

After inching up by nearly 14% in the previous year, its share prices fell by 8.2% in 2022 due mainly to the broader market weakness. This Calgary-based natural gas-focused energy firm currently has a [market cap](#) of \$53.3 billion, as its share prices trade at \$ 52.33 per share. The stock offers an impressive annual dividend yield of 6.9% at this market price and distributes its dividends every quarter.

## How reliable is this stock for earning passive income in Canada?

When investing in a stock to earn passive income, you shouldn't forget to look at its underlying fundamentals, business model, and dividend history. For example, TC Energy has a decades-long track record of delivering value to long-term shareholders by consistently increasing dividends for decades.

With only a 7.1% increase in its total revenue in five years between 2016 to 2021, the company's adjusted earnings jumped by a solid 53.6% with the help of its increasing profit margin. During the same five-year period, this Canadian dividend stock also raised its dividend per share by 54%, making it one of the best Canadian stocks to consider for passive income.

Although high inflationary pressures have driven its labour costs higher in the last year, TC Energy [remains](#) confident of delivering strong results in 2023, as it doesn't see inflation leading to meaningful incremental pressure on its cost of funding or free cash flow generation in the next couple of years. With that, you can expect healthy appreciation in its share prices in the coming years apart from the passive income you earn from its dividends.

COMPANY	RECENT PRICE	NUMBER OF SHARES	INVESTMENT	DIVIDEND	TOTAL PAYOUT (YEARLY)	DIVIDEND DISTRIBUTION FREQUENCY
TC Energy	\$52.33	1,000	\$52,330	\$0.90	\$3,600	Quarterly

Prices as of Jan. 5, 2022

## Bottom line

If you want to earn around \$3,600 a year from TC Energy's dividends (equivalent to \$300 a month), you can buy 1,000 of its shares now. To buy these many shares at the current market price, you'll need to make an investment of \$52,330. While this example explains how you can easily earn reliable monthly passive income in Canada, even in difficult economic times, you should always consider [diversifying your stock portfolio](#) to lower your risk profile.

### CATEGORY

1. Dividend Stocks
2. Investing

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