



How to Generate Over \$550 in Passive Income Each Month — TAX FREE!

Description

Most successful investors will have found a way to generate consistent passive income. The Tax-Free Savings Account (TFSA) is typically lauded for its effectiveness as an instrument for growth. However, it can also be a dynamite source of passive-income generation, as your returns are entirely tax free. Today, I want to discuss how we can generate \$550 in passive income in our [TFSAs](#). In this hypothetical, we will utilize the \$88,000 of cumulative room available. Let's jump in.

Here's an energy stock that can deliver big passive income

Keyera ([TSX:KEY](#)) is the first [dividend stock](#) I'd look to snatch up in our TFSA today. This Calgary-based company is engaged in the energy infrastructure business. Its shares have climbed 3.1% in the year-over-year period as of close on January 10. Keyera is a great passive-income target right now.

This stock closed at \$29.70 per share on January 10, 2023. In our hypothetical, we can snatch up 750 shares for a purchase price of \$22,275. Keyera offers a monthly distribution of \$0.16 per share. That represents a 6.4% yield. This means we will be able to generate tax-free passive income of \$120 with this initial investment.

Don't sleep in this high-yield green energy stock

TransAlta Renewables ([TSX:RNW](#)) is another Calgary-based company that develops, owns, and operates renewable power-generation facilities. Shares of this renewable energy stock have dropped 26% in the year-over-year period. However, the stock is up 5.1% to kick off the new year. This is another great target for passive-income investors.

The green energy stock closed at \$11.96 on January 10, 2023. For our hypothetical, we will look to purchase 1,850 shares of TransAlta Renewable for a grand total of \$22,126. This green energy stock currently offers a monthly distribution of \$0.078 per share, which represents a 7.8% yield. The investment means we can churn out passive income of \$144.30 in our TFSA with TransAlta.

One more energy stock that can generate nice passive income

Freehold Royalties ([TSX:FRU](#)) is a Calgary-based oil and gas royalty company that owns working interests in oil, natural gas, natural gas liquids, and potash properties in Western Canada and the United States. This energy stock has surged 18% in the year-over-year period. Its shares have dipped 1.4% so far this month.

Shares of Freehold Royalties closed at \$14.86 on January 10, 2023. We can snatch up 1,450 shares of this energy stock for a purchase price of \$21,547. Freehold Royalties offers a monthly distribution of \$0.09 per share, representing a 7.2% yield. This means we can churn out passive income of \$130.50 in our TFSA through this energy stock.

You can trust this REIT to deliver big income in a TFSA

Slate Office REIT (TSX:SOT.UN) is the fourth and final dividend stock I'd look to snatch up in our hypothetical TFSA. This Calgary-based [real estate investment trust \(REIT\)](#) is an owner and operator of North American office real estate. Its shares have dropped 11% in the year-over-year period.

This REIT closed at \$4.43 per share on January 10, 2023. For this final purchase, we can snag 4,950 shares of Slate Office REIT for a grand total of \$21,928. The REIT offers a monthly dividend of \$0.033 per share. That represents a monster 9% yield. This means we can generate passive income of \$163.35 in our hypothetical TFSA.

Bottom line

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
KEY	\$29.70	750	\$0.16	\$120	Monthly
RNW	\$11.96	1,850	\$0.078	\$144.30	Monthly
FRU	\$14.86	1,450	\$0.09	\$130.50	Monthly
SOT.UN	\$4.43	4,950	\$0.033	\$163.35	Monthly

These investments will allow us to churn out tax-free passive income of \$558.15 a month going forward. That will make for a fruitful 2023!

CATEGORY

- Investing

TICKERS GLOBAL

- TSX:FRU (Freehold Royalties Ltd.)
- TSX:KEY (Keyera Corp.)
- TSX:RNW (TransAlta Renewables)
- TSX:RPR.UN (Ravelin Properties REIT)

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