



## Got \$6,500? Earn \$30/Month Tax-Free Passive Income in 2023 and Beyond

### Description

There are a few things investors are likely focusing on when looking at this title, such as passive income or the amount you can make each month, for example. But I want you to focus on one word: *beyond*.

Passive income is great, especially when you can create \$30 per month! However, what's better for investors seeking tax-free income for life is income that *lasts*. Today, I'm going to look at not just how to create \$30 per month with the right passive-income stock in your Tax-Free Savings Account (TFSA). I'm also going to show you how and why you can continue to create returns year after year.

### First, choose the right investment

There are so many options out there for investors to choose from. Whether it's exchange-traded funds, mutual funds, stocks or bonds anything can be the right investment at one time or another. But today, I'm going to focus on a passive-income stock I believe has what it takes to stand the test of time.

That stock is **Northland Power** ([TSX:NPI](#)). Not only has Northland stock already been around for decades, but it's in the [clean energy](#) sector. This sector is growing at a rapid rate, and Northland stock could prove to be one of the biggest beneficiaries.

This is because the passive-income stock focuses on offshore wind farms. While land wind farms need large amounts of vacant land, offshore just needs the vast ocean! What's more, ocean wind speeds are *far* higher than they are on land, creating more power than on land ever could. Because of this, offshore wind farms could end up being one of the most used power sources in the future.

### Creating \$30 per month

Now, if you're looking to create \$30 per month in passive income from this stock, I'll break it down for you. Northland stock currently trades at \$38.13 at the time of writing. It remains in value territory, trading at 13.72 times earnings. You can therefore lock in a [dividend yield](#) at 3.18% right now.

As for its share price over time, Northland stock has been around for decades to see how strong its growth has been. In the last 20 years, shares have climbed 1,190%. That's a compound annual growth rate (CAGR) of 13.63%. Furthermore, its dividend has grown by a CAGR of 1.06% in the last decade alone.

So, here's how much you would need to invest in order to bring in \$30 per month.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY	TOTAL INVESTMENT
NPI	\$38.13	300	\$1.20	\$360	Annually	\$11,439

## Don't spend it yet!

Instead of spending that newly found \$360 a year, or \$30 per month, reinvest it back into Northland stock! This company has a long history of growth that, as I've mentioned, is only going to get stronger in the years to come.

In fact, you could get rich by holding this stock long enough! Let's say you plan on holding Northland stock for at least the next decade. In that time, we see the same amount of growth we've seen in years past. Here's how that would work out:

Year	Shares Owned	Annual Dividend Per Share	Annual Dividend	Compound Frequency	After DRIP Value	Year End Shares Owned	Year End Stock Price	New Balance
1	300.00	C\$1.21	C\$363.28	Monthly	C\$11,828.61	308.49	C\$43.40	C\$13,389.46
2	308.49	C\$1.22	C\$377.53	Monthly	C\$13,771.90	316.25	C\$49.31	C\$15,595.55
3	316.25	C\$1.24	C\$391.12	Monthly	C\$15,991.19	323.31	C\$56.03	C\$18,115.31
4	323.31	C\$1.25	C\$404.09	Monthly	C\$18,523.55	329.72	C\$63.66	C\$20,990.86
5	329.72	C\$1.26	C\$416.47	Monthly	C\$21,411.14	335.53	C\$72.33	C\$24,270.09
6	335.53	C\$1.28	C\$428.31	Monthly	C\$24,701.88	340.79	C\$82.18	C\$28,007.47
7	340.79	C\$1.29	C\$439.62	Monthly	C\$28,450.27	345.53	C\$93.38	C\$32,264.88
8	345.53	C\$1.30	C\$450.46	Monthly	C\$32,718.24	349.80	C\$106.10	C\$37,112.72
9	349.80	C\$1.32	C\$460.87	Monthly	C\$37,576.22	353.65	C\$120.55	C\$42,630.97
10	353.65	C\$1.33	C\$470.87	Monthly	C\$43,104.24	357.10	C\$136.97	C\$48,910.58

As you can see, that initial \$11,439 investment has increased significantly to almost \$50,000! And that's just from reinvesting your monthly passive income. This investment is certainly worth considering for 2023 and beyond.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

## PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

## PP NOTIFY USER

1. alegatewolf
2. kduncombe

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/24

## Date Created

2023/01/12

## Author

alegatewolf

default watermark

default watermark