



How Retired Couples can Earn an Extra \$8,150 per Year in Tax-Free Passive Income

Description

Retired couples are more than likely feeling the heat right now. Their investments are supposed to be aiding them through retirement, but instead we're seeing them drop like flies. What's more, a recession could occur in 2023, creating even more worry for these couples with a lot to lose, and no job at hand.

So today I'm going to help retired couples out by focusing on how to create passive income. If you have some cash you've claimed, or some investments you've sold, then now is the time to pick up some passive income stocks for your Tax-Free Savings Account (TFSA). Then, you can create tax-free passive income for life, with extra returns in 2023!

Get in on the savings

First off, I want to change your mindset about today's investments. Retired couples have likely been investing a while now. So you know that what goes down, tends to come back up if the investment is a strong one.

And those strong investments don't tend to suddenly drop for no reason, leaving little time to get a great deal. So today, think of this downturn as a way to get in on some strong passive income stocks on sale! Whether it's a company you already own, or one you've been watching for years, now is the time.

Why now? Why not wait until the market rebounds and then you can buy up shares when they dip? Because right now it's an *outside* factor making shares drop, not company performance. You don't want to buy a company when it's performing poorly. You want to buy it when the market is down in general, and shares are down simply because of this fact, not because earnings slumped, for example.

A great option for retired couples

Another factor retired couples want to consider is that while they do have time on their hands for

investments, it's not as much as when they were 30. That means you don't want to wait to get your hands on passive income for your TFSA.

With that in mind, I would choose a company like **BCE (TSX:BCE)** these days. As the telecommunications company with the largest market share at 60%, it's a solid choice for the future of telecom. And that future is only expanding, with BCE stock rolling out [5G and now 5G+](#) for investors to consider.

Then there's the dividend to consider. BCE stock currently has a dividend yield at 5.97%, and trades at 19.8 times earnings. Shares remain stable with where they were a year ago, down just 1%, so you can also be sure that you get some defence when you invest. Also, you can be assured it will continue to do well even during a recession.

BCE stock has also grown its dividend steadily over the last several years, currently holding Dividend Aristocrat status. It's grown that dividend by a [compound](#) annual growth rate (CAGR) of 5.5% in the last decade alone.

Create that annual income!

Let's look below to see how retired couples can create \$8,150 in annual passive income by investing in BCE stock today. Here's how that would play out, along with how much of an investment you would need to make as a couple.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY	TOTAL INVESTMENT
BCE	\$61	2,214	\$3.68	\$8,150	annually	\$135,054

As you can see, a retired person alone could not manage to invest that much in their TFSA. Especially if they have to contribute that amount, because the space simply isn't there. But a *couple* could split this up for an investment of \$67,527 each.

What's important, however, is that a retired couple consider all their investments. You should never hold one stock for most of your portfolio. So make sure to meet with your financial advisor before making any significant investment.

If you get the go ahead, retired couples could bring in that passive income each year for life. And BCE stock should only continue to rise from here.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
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