



TFSA Investors: How to Earn \$250/Month in Passive Income

Description

The [Tax-Free Savings Account](#) (TFSA) is an exceptional place to earn and grow passive investment income. You can invest in everything from bonds to exchange traded funds to individual stocks in your TFSA.

The best part is any dividend, interest, or capital gain earned is completely tax-free. That means you keep *all* that you earn. If you don't immediately need the cash, you can re-invest into more passive income-producing assets.

In fact, with as little as \$60,000 invested in your TFSA, you could earn nearly \$250 averaged monthly. As you collect your income, the more you can invest, and accordingly earn more income. Even better, if your stocks consistently increase their [dividends](#).

While a diversified portfolio is recommended to limit concentration risk, here is a simple three-stock portfolio that demonstrates the amount of passive income you *can* potentially earn in a TFSA.

A top renewables stock for your TFSA

The first stock that is an ideal fit for a TFSA is **Brookfield Renewable Partners** ([TSX:BEP.UN](#)). BEP.UN is a premium [renewable power stock](#) across the world. It has operations across the renewable power spectrum, including nuclear power services (after it completes a major acquisition in the space).

Brookfield operates over 21 gigawatts (GW) of power, but it has plans to build out more than five times that over the coming years. Given the trends towards ESG, energy security, and electrification, it has a very [long runway of growth ahead](#).

After a recent decline, Brookfield earns a 4.5% dividend yield. So, \$20,000 would buy 510 units of BEP stock. That would earn \$221.85 every quarter, or \$73.95 averaged monthly. The company has a great track record growing its dividend by the mid-single digits, so there is passive income upside as well.

A top telecom stock

Another passive income stock that would make a great fit for a TFSA is **TELUS Corp.** ([TSX:T](#)). This stock plays both defence and offence in a portfolio. Its major business is providing cellular, internet, and cable services to Canadians. These services are generally contracted and are essential for most Canadians.

The big thing that differentiates TELUS is its vertical investments in technology, healthcare, and agriculture. These are faster-growing segments and could eventually (given time) contribute a lot of value to the stock.

In the meantime, TFSA investors can collect a 5% dividend that is expected to grow by about 7% annually for the next several years. A \$20,000 investment would buy 704 shares and earn \$246.40 quarterly. That would average \$82.13 every quarter.

A royalty stock for a TFSA

Topaz Energy ([TSX:TPZ](#)) is an interesting bet for dividend growth in a TFSA. It was spun out of highly regarded [natural gas](#) producer **Tourmaline Oil** just a few years ago. It owns royalty and energy infrastructure assets across Western Canada.

Its assets are in some of the highest production growth regions in Canada, and it has very high-grade counterparties (like Tourmaline). As a result, its royalty stream is expected to enjoy some solid growth in the coming years.

Since its IPO in 2019, it has raised its dividend five times and increased its payout by 50%. Given the strength in energy, more increases are likely. Today, this stock yields 5.8%. A \$20,000 investment could buy 925 shares that would earn \$277.50 per quarter or \$92.50 averaged monthly.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Brookfield Renewable Partners	39.15	510	\$0.435	\$221.85	Quarterly
TELUS Corp.	28.38	704	\$0.35	\$246.40	Quarterly
Topaz Energy	21.60	925	\$0.30	\$277.50	Quarterly

Prices from January 19, 2023

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

2. TSX:T (TELUS)
3. TSX:TPZ (Topaz Energy Corp.)

PARTNER-FEEDS

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

2025/07/19

Date Created

2023/01/20

Author

robbybrown

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