



## TFSA Passive Income: 3 Stocks to Make \$330 Per Month in 2023

### Description

The [market correction](#) is giving investors a chance to buy top [TSX](#) dividend stocks at cheap prices for Tax-Free Savings Account (TFSA) portfolios focused on passive income. The TFSA limit increased by \$6,500 in 2023. This brings the total maximum contribution space to \$88,000.

A diversified portfolio is always recommended, and it makes sense to seek out stocks that are expected to raise their dividends steadily, even during an economic downturn.

### TC Energy

**TC Energy** ([TSX:TRP](#)) is a major player in the North American energy infrastructure sector with natural gas, oil, and power-generation assets. The largest part of the business focuses on natural gas transmission and storage. TC Energy has 93,300 km of natural gas pipelines and more than 650 billion cubic feet of natural gas storage located in Canada, the United States, and Mexico.

Natural gas has a bright future as the world transitions to renewable energy. The fuel emits less carbon dioxide than oil and coal when burned. As a result, it is becoming a popular choice for countries to generate reliable electricity supplies, as they ramp up their wind, solar, and hydroelectric installations. Renewable power is determined by the presence of wind, sunshine, and rainfall and power can't be boosted during times of surging demand. As a result, there will always be a need for alternative supplies and natural gas is considered a good option to produce power.

TC Energy's stock price took a big hit in the second half of last year due to rising costs on a large pipeline project. Despite the setbacks, management is still targeting annual dividend growth of 3-5%, supported by the \$34 billion capital program.

At the current share price near \$58, investors can get a 6% dividend yield.

### Telus

**Telus** ([TSX:T](#)) should be a good stock to buy if you are concerned about a recession. The communications firm gets most of its revenue from mobile, internet, and TV subscriptions. Businesses and households need to have mobile services and access to the internet, regardless of the state of the economy.

Telus finished a major capital program last year and expects capital outlays to drop by about \$1 billion in 2023. This should free up more cash for dividends. Management is targeting annual dividend growth of 7-10% over the medium term.

Telus trades near \$28 at the time of writing compared to more than \$34 last spring. The dip appears overdone, and investors can now pick up a 5% dividend yield.

## Fortis

**Fortis** ([TSX:FTS](#)) is a utility company with power production, electricity transmission, and natural gas distribution assets in Canada, the United States, and Mexico. The company gets 99% of its revenue from regulated asset. This means cash flow tends to be predictable and reliable.

Fortis is working on a \$22.3 billion capital program that will significantly boost the rate base over the next five years. The resulting increase to cash flow is expected to support annual dividend hikes of 4-6%. Fortis raised the dividend in each of the past 49 years.

At the time of writing, the stock provides a 4% dividend yield.

## The bottom line on top stocks to buy for passive income

TC Energy, Telus, and Fortis are good examples of top TSX dividend stocks that pay attractive and growing distributions. An equal investment in these three stocks would generate an average annual dividend yield of 5%.

It is quite easy for an investor to build a diversified portfolio of quality dividend stocks that would generate a yield of at least 4.5% today. On a TFSA portfolio of \$88,000 this would provide \$3,960 per year in tax-free dividends. That works out to an average of \$330 per month!

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FTS (Fortis Inc.)
2. TSX:T (TELUS)
3. TSX:TRP (TC Energy Corporation)

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