



How to Turn \$15,000 Into Reliable Passive Income for Decades

Description

You don't need a lot of capital to start earning passive income by investing. The stock market allows [Canadian investors](#) with any level of capital to earn income and capital gains.

Stocks are a great alternative for passive income

Unlike real estate or a small business, the cost to buy a stock is low (just a small commission), you can buy as many stocks as you can afford, and those stocks can be bought and sold pretty much whenever you like.

Now, that does come at a cost. The market is incredibly volatile in the near term. Fortunately, in the long term, stocks tend to follow the earnings and cash flow growth of a stock. One way to offset this is to buy stocks that pay dividends. At the very least, you collect some passive income while you wait.

If you only have \$15,000 to invest today, here's [a mini portfolio](#) that could produce \$617 of passive income annually (and potentially more) for decades to come.

Fortis: Decades of growing passive income

Fortis ([TSX:FTS](#)) is one stock with a decades-long history (actually nearly five decades) of consistently growing its [dividend](#). Today, it earns a 4.1% dividend yield. A \$5,000 investment would earn \$50.85 quarterly, or \$203.40 annualized. The great news is that its dividend growth is not likely to slow down anytime soon.

Fortis operates 10 regulated transmission and distribution utilities across North America. These are highly predictable businesses that generate economically stable earnings. It has \$22.3 billion capital plan that should grow its rate base by around 6% annually to 2026.

Nearly 60% of that plan will be funded by internal cash flows, making it a reasonable program, even though the cost of funding has recently gone up. Overall, Fortis is a great starter stock for low-risk

passive income in the years ahead.

Brookfield Infrastructure

If you are looking for a little more aggressive growth and broader diversification, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)) is one passive-income stock to consider. Not only does it operate several utilities, but it also owns railroads, ports, midstream plants, pipelines, data centres, and cell towers.

Brookfield has delivered 15% compounded annual returns over the past 10 years. The company takes a contrarian approach to investing. It buys assets when the market is depressed, fixes them up, and sells them at a premium when the market is bullish. It currently has plenty of liquidity to support further acquisitions, especially [if the economy weakens](#) in a recession.

BIP stock yields 4.08%. A \$5,000 investment would earn \$50.70 quarterly, or \$202.80 annualized. It has consistently increased its dividend for more than a decade, so further growth in passive income is likely.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#)) is another [blue-chip stock](#) to own for passive income. The company has been paying dividends for more than a century and a half. It has been raising its dividend annually for 28 years.

Canadian banks are not exciting businesses, but they are well managed and relatively stable. As the second-largest bank in Canada, it has built a quality, diversified business. Growth in the U.S. has been a major factor in its success. Two recent U.S. acquisitions could provide incremental growth in the future.

In the meantime, TD stock pays a 4.3% dividend, which is nearly 50 basis point higher than its five-year average. A \$5,000 investment would earn \$52.80 quarterly, or \$211.20 annualized.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Fortis	\$55.50	90	\$0.565	\$50.85	Quarterly
Brookfield Infrastructure Partners	\$47.80	104	\$0.4875	\$50.70	Quarterly
Toronto-Dominion Bank	\$90.11	55	\$0.96	\$52.80	Quarterly

Prices as of January 25, 2023

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:FTS (Fortis Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

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