



Need Passive Income? Turn \$15,000 Into \$851 Annually

Description

Passive income is in high demand these days, with investors needing as much cash as they can carry with a recession on the way. The Bank of Canada also raised the interest rate to 4.5%, the highest since December 2007. So, we're certainly needing the cash when we can get it.

The problem is, I don't want Canadians simply buying a company for passive income and then seeing that income disappear in the years to come. That's what can happen when you choose wrong. Instead, you need to choose the [right investment](#) for a long-term hold, and that means choosing a company that's not going to disappear and take your income with it.

Find the right sector

There are certainly a lot of sectors out there doing well, but few that will continue to expand in the years and decades to come. Though one that continues to grow is insurance. The insurance sector not only continues to expand its offerings but is consolidating by buying up smaller insurance agencies. Furthermore, it's attempting to expand into new countries. And that provides global diversification, which is incredibly useful during a recession.

That's why today I'll be looking at **Great-West Lifeco** ([TSX:GWO](#)). GWO stock is a solid option for those seeking passive income. The insurance company already operates around the world, providing a diversified stream of revenue that will help investors during a recession. Yet it also continues to buy up smaller, and even larger, insurance agencies.

But the passive-income stock goes beyond providing life and healthcare insurance. It also provides protection for corporations, along with wealth management consulting. These are hugely lucrative arms that will continue to see the company thrive.

Remains valuable

The big bonus for buying GWO stock right now is that the passive-income stock is actually cheap on

the TSX today. GWO stock trades at just 10.89 times earnings as of writing, offering up a dividend yield at 5.71% as well! That's huge considering shares are now down 4% in the last year alone.

The good news as well is that GWO stock is now on the rise. While still down in the last year, shares have increased by 16% in the last three months alone. So, it looks like you may be able to lock up some growth in the near future, while still bringing in passive income at a [valuable rate](#).

Now, let's get to the good stuff. Let's say you're a Canadian investor who wants to take advantage of this valuable stock and bring in more passive income at a great price. You have \$15,000 you want to put towards GWO stock, so let's see what that can get you. Let's take it further. Let's also look at what your portfolio could be should shares return to 52-week highs, with dividends included.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY	TOTAL INVESTMENT
GWO	\$34.54	434	\$0.49	\$212.66	Quarterly	\$15,000
GWO: 52-week highs	\$41.50	434	\$0.49	\$212.66	Quarterly	\$18,861.64

As you can see, you can get \$212.66 per quarter, or \$850.64 per year. And with dividends included back at 52-week highs, your portfolio jumps to \$18,861.64! That's total returns of \$3,861.64 from your original \$15,000 investment on the TSX today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)

PARTNER-FEEDS

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

2025/08/12

Date Created

2023/01/29

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