



Got \$6,500? Earn \$41/Month Tax-Free Passive Income

Description

Have you ever thought of creating a reliable source of tax-free, monthly passive income in Canada? While most people think of earning passive income, most don't take the necessary steps to do so. The steps are not as complicated as you might think. If you have been contributing to your [TFSA](#) (Tax-Free Savings Account) for years, you can start generating tax-free passive income each month by investing even a small amount of savings in some quality [Canadian dividend stocks](#).

In this article, I'll talk about one of the best Canadian dividend stocks that can help you earn \$41 in passive income every month with an investment of just \$6,500.

One of the best Canadian monthly dividend stocks

Whether you are investing to generate passive income or growing money by the time you retire, you must always pick a [fundamentally](#) strong stock with a resilient business model and solid growth outlook. Keeping that in mind, **Sienna Senior Living** ([TSX:SIA](#)) could be a great dividend stock in Canada to invest in right now that can help you earn a reliable monthly income for years.

This Markham-headquartered seniors living options provider currently has a [market cap](#) of \$891.3 million. SIA stock trades at \$12.22 per share with about 12.1% year-to-date gains after losing 27.5% of its value last year. By comparison, the **TSX Composite** benchmark has risen by 6.3% so far in 2023.

At this market price, Sienna Senior Living offers an attractive 7.7% annual dividend yield and distributes its dividend payouts on a monthly basis.

Is it a reliable stock to invest in?

While Sienna is yet to [announce](#) its 2022 results later this month, its financial growth trends in recent years have still been impressive. In the five years between 2016 and 2021, the company's total revenue jumped 34% from nearly \$498 million to \$668.5 million. Despite facing macroeconomic challenges and COVID-19-related headwinds in recent years, its adjusted earnings also grew positively

by 15% during these five years, from \$0.27 per share in 2016 to \$0.31 per share in 2021.

Another key factor that makes it a reliable monthly Canadian dividend stock to buy right now is its strong long-term growth outlook. As the elderly population in the country is expected to surge significantly in the next two decades, the demand for seniors' living options, including long-term-care and retirement communities, is expected to surge. This demand could help companies like Sienna Senior Living accelerate financial growth in the long run, which should help its share prices appreciate.

COMPANY	RECENT PRICE	NUMBER OF SHARES	INVESTMENT	DIVIDEND	TOTAL PAYOUT (Monthly)	DIVIDEND DISTRIBUTION FREQUENCY
Sienna Senior Living	\$12.22	532	\$6,501	\$0.078	\$41.50	Monthly
Prices as of Feb 9, 2023						

Bottom line

Besides the expected appreciation in the share prices in the coming years, Sienna also pays a monthly dividend of \$0.078 per share. If you invest roughly \$6,500 from your TFSA in its stock right now, you can expect to earn \$41.49 in tax-free monthly passive income from its dividends. That said, you should always try to diversify your portfolio to minimize your risk profile by including more such dividend stocks in it instead of pouring a large sum of money into a single stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:SIA (Sienna Senior Living Inc.)

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