



4 Dividend Stocks That Will Pay for Years to Come

Description

One of the greatest scams on the Internet is the idea of passive income. You see a video of a man or woman lying on the beach, drinking a cocktail, and talking about all the millions they're raking in while doing absolutely nothing. And for some reason, people eat that up.

The reality is, passive income is not realistic without first putting in a significant amount of work. That being said, I'm going to fill you in on a little secret. There is **one** way that you can realistically earn a passive income. But to do it, you're going to need a significant upfront investment.

The strategy I'm talking about is dividend investing. In essence, you seek out companies that return cash to you each month or quarter. Once you own a nice portfolio of dividend-paying companies, you could, theoretically, earn a living on passive income.

But what stocks should you own? Fortunately for you, I have a few ideas that are worth considering in four different sectors.

1. Real estate

When it comes to dividends, real estate investment trusts are some of the best options because they are mandated by law to return the majority of profit in dividends. And the one that I think is probably the best in Canada is **RioCan Real Estate Investment Trust** ([TSX:REI.UN](https://www.scribd.com/document/444444444/TSX:REI.UN)).

This company owns 239 retail properties all across Canada plus an additional 47 in the United States. These retail properties are not small either. Instead, they are giant operations that have some of the top brands as tenants. The company has an aggressive-growth strategy that I quite like, which should result in condominiums on top of many of their retail operations.

Further, there's a decent chance that it might wind up selling those 47 U.S. assets, which could be valued at anywhere from \$2-2.25 billion. That would be a nice return for investors, I think.

RioCan pays a monthly \$0.12 dividend, which makes the yield 5.72%. Pretty sweet, right?

2. Telecommunications

The next company on my list is considered the top dividend company in Canada. **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is a diversified telecommunications and media company that pays a highly lucrative yield of 4.94%, which comes out to \$0.65 a quarter.

What makes this company appealing to me is that it's not going anywhere anytime soon. Because of the size of its moat, no other company could come along and compete, which allows it to generate significant cash flow.

One thing to understand about this stock is that it's not going to rise aggressively like growth stocks. Instead, this is a buy, hold, and let the dividends come in type of company.

3. Pipelines

I know, anything to do with oil has investors concerned. But **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) is in a unique position because its business model is in the transport of oil. TransCanada isn't impacted by the day-to-day price of the commodity because it has long-term contracts with oil companies. This means the company is able to continue generating cash flow even if the price of oil remains at a depressed price.

What would hurt the company is if oil companies decided to stop pumping the commodity. However, there appears to be no decrease in output. Because of this, TransCanada can pay a lucrative 4.8% yield, which comes out to \$0.52 a quarter.

4. Banking

The final dividend stock that I think investors should own is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). What I like about this bank is that it is incredibly diversified. It has big operations all across Latin America that, if you believe that economies all around the world will get stronger, will only make Bank of Nova Scotia a considerable amount of money.

People are concerned about investing in the banks due to the oil prices, but I'm not too phased by that. A very small amount of Bank of Nova Scotia's loans are to oil companies, so if the price stays depressed for a long time, I don't expect it to have long-term ramifications on the company.

Bank of Nova Scotia pays \$0.68 per quarter, which comes out to a 4.65% yield.

Buy dividend stocks

The reality is, you want dividend stocks. Even when the price goes down, you are still getting the same dividend. That's about as passive as it comes.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:TRP (Tc Energy)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:REI.UN (RioCan Real Estate Investment Trust)
7. TSX:TRP (TC Energy Corporation)

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Author

jaycodon

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