



## Add a Passive-Income Source in 2020 Using 2 Dividend Stocks

### Description

Having a well-paying job and enough savings for a rainy day seems sufficient enough for most people. It's like a generic recipe for healthy finances. But an investor shouldn't just be content with that. It would be best if you focused on putting your savings to good use by building your wealth beyond what's possible with the default interest options.

There is another great use of whatever savings you have: a passive-income stream. It may go towards another investment vehicle, or it can be used to augment your primary income, but having a passive-income source can be a financial lifesaver. One fool-proof method to create a passive-income source is to invest in Dividend Aristocrats.

### The largest printing company in the country

**Transcontinental** ([TSX:TCL.A](#)) is the largest print company in the country and one of the largest flexible-packaging leaders in North America. This four-decade-old company is a family-run business, which employs over 9,000 people. Transcontinental also has a media and a French-language education segment.

As a dividend payer, the company has an amazing history. It increased its payouts for 18 consecutive years. Currently, the company is paying \$0.88 per share, which translates to a juicy yield of 5.54%. If you invest \$35,000 in Transcontinental in your TFSA, you will be getting about \$160 a month. That's enough of a passive income to cover your electricity and internet for the month.

Currently, the [company is trading](#) at \$15.77 per share. With a price-to-earnings of 8.3 and a price-to-book ratio of only 0.82, the company seems to be trading lower than its fair value.

### One of the Big Five

The third one among the Big Five, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has a market cap of \$87.55 billion as of now. It was recognized as the Canadian Bank of the Year for 2019, by *The Banker Magazine*

. The bank had the habit of lagging behind its two bigger brothers, but it [had a strong last year](#) and currently seems well positioned to deliver better-than-past returns to its investors.

Bank of Nova Scotia is a Dividend Aristocrat, with a stellar dividend history. Currently, the bank is paying out a dividend yield of 5%. \$34,500 of your TFSA savings will help you earn \$143 a month through BNS's dividends. That is enough for a monthly public transport pass and a couple of inexpensive meals in a restaurant.

At \$72 per share, the bank is relatively underpriced compared to the rest of the sector.

## Foolish takeaway

Your passive income can vary, depending upon how much you are investing and where you are investing it. You can get much higher yields than Transcontinental and Bank of Nova Scotia, but very few companies can match the reliability of dividend payouts of the two Aristocrats. And this dependability is a highly desirable attribute in your passive income.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:TCL.A (Transcontinental Inc.)

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