



## Why Every Investor Needs to Start Building a Passive-Income Empire Today

### Description

Thousands of Canadians are getting laid off. And this could just be the beginning. Passive income will be super helpful in offsetting the everyday costs.

Imagine even having \$300 in monthly passive income to assist in paying for groceries or utilities. That's why every investor needs to start building a passive-income empire today.

Here are some proven dividend stocks to consider for passive income.

### Get passive income from Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is an excellent dividend stock to buy and hold for passive income. Because the stock has corrected about 22% from its February high, it now offers a juicier dividend yield of about 6.3%. BNS stock's payout ratio of about 50% protects its dividend.

Since the global financial crisis more than 10 years ago, the bank is much stronger financially. For example, it has more than three times as much common equity tier one capital.

In the past five years, the bank invested more than \$15 billion in technology to be operationally robust. During this critical time to combat COVID-19, the bank has about 60% of its employees working from home remotely. Moreover, its operating systems are showing great stability.

BNS stock is absolutely cheap right now. At writing, it trades at \$57.40 per share at about 8.1 times earnings, which is a substantial discount of about 30% from its long-term normal valuation.

To get \$300 a month from BNS stock, invest about \$57,143 in the big Canadian bank.

### Get passive income from Brookfield Infrastructure

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) provides exposure to excellent cash-cow infrastructures around the world. Additionally, management is top-notch operators and investors.

The utility has been an incredible outperformer compared to its peers because its capital-recycling program is ongoing. For instance, in the past 11 years, it sold 15 businesses that generated an [internal rate of return](#) of roughly 22%! They generated gross proceeds of US\$4.5 billion. The proceeds can then be reinvested for high returns.

Investors should welcome BIP's geographic and asset-type diversification. The company generates about 31% of its funds from operations (FFO) from North America, 27% from South America, 20% from Europe, and 22% from the Asia Pacific. Its portfolio consists of utility assets like regulated distribution and transmission, transport assets like rail and toll roads, and energy and data assets.

BIP has a solid track record, having increased its dividend at a compound annual growth rate of roughly 11% since 2009. The dividend stock has corrected about 26% from its February high. As a result, it provides an awesome dividend yield of about 5.3%. BIP's 2019 payout ratio was 74% of its FFO.

Investors should consider holding the corporation version of the stock (with the ticker "BIPC" on the TSX and NYSE) in non-registered accounts.

To get \$300 a month from BIP stock, invest about \$67,025 in the utility.

## The Foolish bottom line

Every investor needs to start building passive income in safe dividend stocks today. It'll help improve your financial stability. Begin building your passive-income empire with BNS stock and Brookfield Infrastructure for nice dividends.

Investors can get an average yield of 5.8% from BNS stock and BIP stock. Therefore, to get \$300 a month, investors need to invest about \$31,034 in each stock.

The economic [downturn](#) from the COVID-19 impact will be a drag on BNS and BIP's results in the short run. However, in the long run, they're set to benefit from the eventual economic recovery. And they'll increase their dividends by about 5% per year for the long haul.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:BNS (Bank Of Nova Scotia)

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