

Passive Income Investing: 3 Top Dividend Stocks with a Yield Above 4%

Description

Investors that own individual stocks have likely had an extremely volatile year to date. The Canadian market might only be down 5% on the year, but the volatility over the past seven months has been off the charts.

During a time of volatility, earning passive income through dividend stocks can help stabilize the returns of a portfolio. While no dividend is ever guaranteed, they can provide much-needed passive income during a market crash. And while we've seen lots of dividends cut this year to preserve capital, we've also seen many companies with a strong enough balance sheet to maintain the same dividend payout.

Even though we've seen many stocks take a beating this year, we're witnessing a lot of companies with yields higher than they've ever been. For companies that have not cut their dividend, a significant drop in share price has only made the dividend yield increase.

For investors looking to add some passive income to their portfolio, I've covered three top dividend stocks to consider adding today.

Bank of Nova Scotia

Valued at a market cap of just under \$70 billion, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is Canada's third-largest bank. Scotiabank offers its customers a wide range of products and services, including day-to-day chequing and saving accounts, investment management, mortgages, loans, and insurance, to name a few.

In comparison to some of the other Big Five banks, Scotiabank has a much more diverse international presence. Rather than strictly expanding to the U.S., the bank has developed a very large presence in Latin America. Staying true to the bank's global expansion plan, Scotiabank also has operations in Australia, Europe, and Asia.

Between the five major Canadian banks, Scotiabank has the highest yield at today's stock price. The bank's annual dividend of \$3.60 per share is good for a whopping yield of 6.4%.

Not only is it the highest dividend among the major Canadian banks, but it's also [one of the most reliable](#) too. The bank has been paying a dividend to its shareholders for more than 185 years.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is the smaller of the two major telecommunication companies in Canada, behind **BCE**. As opposed to BCE, Telus doesn't own a media division. Instead, the company focuses primarily on the telecommunications industry, providing individual consumers and businesses mobile, TV, and internet services.

Telus might not be able to provide investors with a 6% dividend yield or a 185-year payout streak, but the company can provide a certain [level of growth](#). Over the past 10 years, Telus stock is up almost 115%, close to triple the returns of the Canadian market.

At an annual dividend of \$1.17 per share, the yield is equal to 4.8% at today's stock price.

Brookfield Infrastructure Partners

To round out the basket of three dividend stocks, I'm adding **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). The company owns and operates infrastructure businesses across a wide range of industries, such as utilities, transportation, energy, and data.

Similar to Telus, in addition to owning a high dividend yield, Brookfield Infrastructure Partners can also provide investors with the potential of market-beating growth. The company has returned more than 85% growth to shareholders over the past five years and is almost a 4-bagger over the past decade.

In addition to market-beating growth, the infrastructure company owns a dividend yield above 4% at today's stock price. The annual payout of \$2.60 per share is good for a yield of 4.2%.

Foolish bottom line

Who said you need to sacrifice growth in order to earn a high dividend yield? Each of these three dividend stocks can not only provide growth to your portfolio but can also earn passive income at a yield above 4%.

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1. Dividend Stocks
2. Investing

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1. dividend stocks
2. Dividends
3. passive income investing
4. Scotiabank
5. scotiabank stock
6. Telus
7. telus stock

TICKERS GLOBAL

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

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Author

ndobroruka

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