



Passive Income Investors: 2 TSX Stars to Buy

Description

Passive income investors seeking a boost to their income can find many stocks with huge yields. Even some massive [blue-chip stocks](#) are trading with great yields in the current state of the market.

However, not every juicy yield is worth pursuing. For instance, while **Enbridge** stock is offering an 8.53% yield, the stock's payout ratio sits at 330%.

As such, passive income investors should keep in mind the possibility of a yield cut with a stock like that. Of course, the risk could be worth the reward for some, but passive income is generated best from consistent and reliable yields.

So, investors might want to look toward blue-chip stocks with large yet [sustainable yields](#) to help boost their passive income stream. Today, we'll look at two such **TSX** stocks that can achieve that goal.

RBC

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank with a market cap of \$144.25 billion. As of this writing, it's trading at \$101.41 and yielding 4.26%.

While RY has had a rough time this year, its dividend has never really been in question. In fact, it sports a payout ratio of 54.76% as of this writing.

With RY's strong positions and revenue streams, the dividend is more than manageable. Plus, this stock has historically been extremely committed to delivering a healthy dividend to its passive income investors.

While a yield of 4.26% doesn't jump off the page, the fact it's coming attached to such a big name like RY makes it a bit more attractive. Sure, there could be bumps in the road ahead but in the long term RY has great potential for share price growth on top of dividend stability and growth.

Plus, RY has plenty of support and cushion in terms of liquidity at its disposal. There should be no

concerns with the long-term outlook for passive income investors.

Passive income investors looking to latch onto a massive TSX blue-chip stock with a dependable yield should give RY a fair look.

Passive income stock: BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the publicly traded holding company for the Bell Canada umbrella of companies which includes subsidiary Bell Media.

Given its robust revenue streams, BCE is able to consistently churn out a solid dividend to its investors. As of this writing, the stock trades at \$56.16 and yields 5.93%.

Of course, BCE has had some struggles this year and its inflated yield is translating into a 130.56% payout ratio. While not extremely dire, it's still higher than passive income investors would like to see.

Even still, BCE's track record for growth suggests passive income investors should be excited about the long term path here. BCE might be able to avoid a dividend cut altogether as its ratio is only slightly above acceptable levels and a potential COVID-19 vaccine could accelerate an economic recovery.

If you're looking for a telecom giant with a big yield, BCE is a stock worth checking out.

Passive income investing strategy

If you're looking to rake in some extra cash from your investments, these two blue-chip stocks can definitely be of help. They offer reliable yet substantial yields that passive income investors should find attractive.

Be sure to keep RY and BCE in mind when looking to beef up your passive income stream.

CATEGORY

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2. NYSE:RY (Royal Bank of Canada)
3. TSX:BCE (BCE Inc.)
4. TSX:RY (Royal Bank of Canada)

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