



Earn Passive Income of Over \$500/Month: Snap Up These 3 Dividend Aristocrats

Description

The coronavirus pandemic has taught us the hard way that it is prudent to have a secondary or passive income stream. As millions of jobs succumbed to the COVID-19 pandemic, government relief packages provided income to support the most vulnerable.

While the government measures eased financial pressure on individuals, those with a passive income stream wouldn't have faced equal economic hardship. Adding a passive income stream can not only act as an important lifeline amid challenging times, but also help in meeting your financial goals early and helps in building a significant amount of wealth over time.

Here we'll zoom in on three Dividend Aristocrats that have been consistently boosting their shareholders' return through higher dividend payments and are a perfect candidate to generate steady passive income in the long run.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) stock is a must-have in your portfolio to generate a [growing passive income source](#). The energy giant's dividends have grown at a compound annual growth rate (CAGR) of 7% over the past two decades, thanks to its high-quality assets and earnings base.

TC Energy's strong fundamentals led by regulated assets and long-term contracts, and conservative dividend payout ratio suggest that the company could continue to hike future dividends at a healthy pace.

The company projects an [8-10% growth](#) in its annual dividends for fiscal 2021. Meanwhile, its annual dividends are forecast to increase by 5-7% beyond fiscal 2021, reflecting its low-risk business model, strong asset base, and growing cash flows. With a quarterly dividend of \$0.81 per share, TC Energy stock offers a juicy dividend yield of 5.6%.

Canadian Utilities

With 95% of its earnings coming from the regulated utility assets, **Canadian Utilities** ([TSX:CU](#)) is a top stock to own for a growing passive income stream. Notably, the utility giant has raised its dividend for 48 years in a row, which is incredible. Meanwhile, the company remains on track to continue to boost its dividends in the coming years.

Canadian Utilities' continued investment in regulated and contracted assets suggests that the company could continue to deliver high-quality earnings in the future, which is likely to support its payouts. Meanwhile, focus on cost-reduction measures should further cushion its earnings.

The company pays a quarterly dividend of \$0.44 per share, translating into a dividend yield of 5.4%.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another top **TSX** stock that should be a part of your income portfolio. With its resilient business and diversified cash flow streams, Enbridge has returned billions of dollars in the form of dividends to its shareholders.

Its dividends have risen at a CAGR of 11% for the past 25 years. Besides, Enbridge has been paying dividends since 1953. Currently, the energy infrastructure giant offers a robust dividend yield of 7.6%, which is pretty safe.

Enbridge's business is highly contracted generates utility like predictable cash flows. Meanwhile, the recovery in oil and gas demand suggests that the company could continue to boost its shareholders' returns with higher dividends in the coming years.

Bottom line

A \$33,000 investment in each of these stocks would lead to a dividend income of over \$6,127 per year or over \$500 per month. Besides, the strong fundamentals, robust cash flows, and diversified businesses of these Canadian companies suggest that you could generate a passive income stream that will continue to grow with you.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:ENB (Enbridge Inc.)

5. TSX:TRP (TC Energy Corporation)

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