



Dividend Stocks: How to Earn \$25 Per Day in 2021

Description

Dividend stocks are exactly what today's investor needs. These stocks provide stable [income](#) that will continue to come in even if shares aren't doing well. This is perfect during a volatile market that some economists predict could crash yet again.

So that's why investors can be prudent and invest in dividend stocks that offer strong returns that aren't likely to be cut even with a market crash. For this, we look to Dividend Kings. These are dividend stocks that have a history of dividend growth over 50 years. That's a long time, and a lot of economic downturns to see dividends rise.

So if you're looking to come up with a method of bringing in \$25 per day, that's exactly where you should look. However, the Canadian market doesn't offer these, but it does have a few just shy of the title.

Canadian Utilities

The top contender of dividend stocks to get you to that Dividend King [status](#) is **Canadian Utilities Ltd.** ([TSX:CU](#)). The company has a 49-year history of dividend growth. That's right, as of 2022 it will reach Dividend King status. Beyond that, the growth has been exceptional. It has a five-year compound annual growth rate (CAGR) of 9.58% for its dividend, and currently sports a 5.48% dividend yield.

Yet shares are still down 15% in the last year. That's likely due to its revenue, which continues to drop during the pandemic. However, utilities are here to stay. It's quite unlikely that Canadian Utilities will simply disappear, as utilities are a necessity. The company continues to grow, so investors would be wise to see this as a buying opportunity. In fact, over the last decade shares are up 75% for a CAGR of 7.5% per year. While that's not exorbitant, it's stable. And that's what you want to bring in steady cash every day.

The dividend outcome

So if you're looking to create a solid stream of passive income from dividend stocks, you're going to want a stable company like Canadian Utilities. Check. However, you then need a large investment. To make money this way, you need money. Luckily, shares should continue to do well for decades, so you don't have to worry about your returns.

As of writing, shares are at about \$32. The dividend is \$1.76. That would mean you need to bring in \$9,125 per year in dividend income. To do that, you would have to invest \$165,909 at today's prices. So it is possible, but comes with a large price tag.

But let's now look at that dividend growth potential. As I mentioned, the stock has grown its dividend by 9.58% in the last five years. So next year, that \$25 per day could be \$27.40 — the year after that, \$30. After that, \$32.90. You get the point. Suddenly, your original \$9,125 turns into \$12,008 in just a couple of years, without considering share returns!

Bottom line

If you choose an almost-Dividend King like Canadian Utilities you get one thing in spades: stability. That stability leads you to bring in income from dividend stocks, like that \$25 per day. You can lock in that price today, and even if it's not \$25 per day, you can still bring in solid passive income that will continue to grow for decades.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing

Date

2025/08/24

Date Created

2021/01/30

Author

alegatewolfe

default watermark

default watermark