



4 Stocks to Generate a Healthy Income Stream

Description

Finding the perfect mix of income-generating stocks can mean the difference between retiring comfortably or working well into your golden years. In addition to finding those right stocks, investors need to strike a balance that will provide a steady stream of income. To help accomplish that goal, here are several stocks that can generate a healthy income stream.

A healthy bank stock

Bank stocks are great long-term investments. Apart from the stable growth that they provide, Canada's big banks are well diversified and offer attractive dividends. One bank to consider adding to your portfolio is **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#))

Why BMO? The bank is neither the largest nor most well known of Canada's big banks, but what the bank does offer is stability. Bank of Montreal's dividend, which works out to a healthy 4.33% yield, strikes a perfect balance of growth and stability. The bank is Canada's oldest and has been providing dividends to investors without fail since 1829.

A \$35,000 investment in BMO will provide investors with a healthy (and growing) income that works out to \$125 per month.

The stable utility investment

Utility stocks provide a defensive element that few other investments can match. An interesting option for investors to consider adding to their portfolio is **Canadian Utilities** ([TSX:CU](#)). Canadian Utilities benefits from the stable and recurring revenue stream that makes utility investments so popular. The company also has a well-established history of annual dividend hikes that stretches back almost five decades.

Canadian Utilities boasts a healthy 5.60% yield. A \$35,000 investment in the stock will work out to \$163 in monthly income in the first year alone. Assuming those annual healthy bumps continue, your

Canadian Utilities investment could grow significantly over time.

How about a defensive telecom?

Like utilities, telecoms are great defensive investments. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is one of the [largest telecoms](#) in the country and makes a fine addition to any portfolio. The importance of telecoms has grown in recent years, as mobile devices have become more of a necessity to our modern world. That latest bump comes in the form of 5G service, which will allow a greater number of device connections with far better speeds.

In other words, the growing need for wireless service and, by extension, the defensive appeal of BCE, is only going to grow. Prospective investors will love the 6.32% yield on offer as well as BCE's impressive history of paying dividends, which spans over a century.

A \$35,000 investment in BCE works out to just over \$180 per month.

Here's a great passive-income pick

Another great investment option to consider is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Apart from operating its lucrative pipeline business, Enbridge is a well-diversified energy infrastructure stock. Furthermore, the company has a growing renewable energy portfolio and continues to invest billions in growth initiatives.

That pipeline business continues to generate a stable and recurring revenue stream, which, in turn, feeds Enbridge's attractive dividend. That dividend, which is paid quarterly, works out to an incredible 7.50% yield, making it one of the [better-paying yields on the market](#).

To put those earnings into context, a \$35,000 investment in Enbridge will provide investors with what works out to be a monthly income of \$218.

Generate a healthy income stream

Finding the right mix of investments takes time and involves some risk. Fortunately, the stocks outlined above all have defensive appeal. This makes them suitable for any long-term portfolio. In terms of income, a \$35,000 investment in each of these stocks will provide just over \$680 per month.

For those investors not ready to use that income just yet, reinvesting those dividends could be useful. Those reinvestments will translate into a larger *future* income stream. In short, buy them, hold them, and generate a healthy income stream.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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2. NYSE:BMO (Bank of Montreal)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:CU (Canadian Utilities Limited)
7. TSX:ENB (Enbridge Inc.)

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