



## 2 Dividend Stocks for Reliable Passive Income

### Description

Investors seeking [dividend stocks](#) for their investment portfolios understand how valuable these assets can be to provide income to their portfolios during volatile market conditions and when the economy is doing well.

As the economy recovers from the pandemic, uncertainty seems to be taking the back seat. The [frothy housing market](#) might go through a major correction, as interest rates rise and inflation continues to become a problem. It might be a good time to revisit your investment portfolio and add dividend stocks that can generate reliable passive income for your portfolio.

I will discuss two such stocks that you should have on your radar to generate passive income.

### Emera

**Emera** ([TSX:EMA](#)) stock is up by 5.27% on a year-to-date basis in 2021 at writing, trading for \$56.50 per share. The stock boasts a juicy 4.51% dividend yield at its current valuation, making it a highly attractive asset to consider adding to your passive-income portfolio. Emera is a Halifax, Nova Scotia-based energy and services company that is currently positioning itself to win a bid to supply Massachusetts with electricity through a deep-sea cable.

The utility giant is a safe option to consider for your dividend-income portfolio. It already provides energy services to 2.5 million customers across Canada, the U.S., and the Caribbean. Its time-tested strategy and portfolio of regulated utilities give it the potential to provide its investors with growing earnings through rising dividends over the long term.

The company's management has raised its dividends for the last 21 years at an annual rate of 6%, and it expects to raise its dividends by 4% this year and in 2022.

### Toronto-Dominion Bank

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is the second-largest financial institution in the country in terms of its market capitalization. The \$159.37 billion market cap bank stock has enjoyed a strong run in 2021. At writing, TD Bank shares are up by almost 22% on a year-to-date basis. Trading for \$87.64 per share, TD Bank stock boasts a juicy 3.61% dividend yield. At its current share price, TD Bank stock is up by an impressive 43.27% in the last 12 months.

The bank continued its solid performance in the second quarter of fiscal 2021. A significant decline in the provisions for credit losses (PCLs) has been a primary driver for its improved performance. The same situation has painted a better picture this year for the other Big Six Canadian banks as well.

TD Bank stock's valuation still presents upside potential for investors, because it possesses a favourable 11.6 price-to-earnings ratio. You could consider adding the stock to your portfolio to leverage capital gains and dividend income to fuel your wealth growth.

## Foolish takeaway

Buying and holding income-generating assets in your portfolio can help you earn significant passive income. Provided you choose the right stock picks as the foundations for your dividend-income portfolio, you can generate substantial passive income that can keep lining your account balance for decades.

Emera stock and the Toronto-Dominion Bank stock could be ideal additions to your portfolio for this purpose. Buying and holding these two [reliable dividend stocks](#) for a long time could provide you financial security during volatile market conditions and become a much wealthier investor by the time you retire.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:EMA (Emera Incorporated)
3. TSX:TD (The Toronto-Dominion Bank)

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