



## How to Build a Growing Passive Income Stream

### Description

Earning passive income is something we can all agree is one of the best feelings in the world. Having the ability to earn money from something continuously, without putting in much, if any, effort for it is a wonderful feeling.

By letting your money work for you, you have the freedom to do anything. And the longer you collect passive income and let it compound, the faster it can grow.

So while we want to make as much passive income as we can today, what's more important is making sure our money is protected and continues to grow consistently.

If you're going to continue to saving and add cash to your portfolio, then your money and passive income will already be growing quite rapidly.

But even if you aren't adding any more cash to your investment portfolio, you can still earn a growing stream of passive income for years with the right stocks.

## How to earn a growing passive income stream

As with any [investing strategy](#), the first key is that you need to find high-quality stocks. What's most important before any growth is that your money is protected. Because if you lose your money buying speculative assets, you've lost the assets that are supposed to be working for you.

As dividend investors trying to build a stream of passive income, it's also crucial that the company has consistently growing and robust operations. This is paramount to ensure a stable and growing dividend.

With these high-quality dividend growth stocks, you can continuously grow both your portfolio value and the passive income that it generates. And with the power of compound interest, the longer you give your money to grow, the faster it will climb.

Not only will these dividend growth stocks increase their payouts to you as an investor, which will

naturally increase the passive income you're receiving, but when you reinvest this capital into new stocks or more shares, that will also grow your potential income.

This is why it's so crucial to buy high-quality stocks that will protect your money and grow consistently. Once you find these stocks, all that's left to do is give them time to grow on their own.

## A top stock for dividend investors

If you're looking to build a passive income stream, there are several high-quality dividend stocks to buy, especially on the Canadian Dividend Aristocrats list. Some of the best to start with, though, are utility stocks such as **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Fortis is one of the best [utility stocks](#) in North America. The company operates electric and gas utility businesses all across North America.

These are regulated operations, so it's important to have businesses in different jurisdictions. More importantly, though, gas and electrical services are crucial to consumers and businesses. Generally, no matter what's going on with the economy, you need utilities.

This is why Fortis is one of the best dividend stocks to start with when building a passive income stream.

Besides its high-quality operations, though, one of the main reasons it's a great investment is its steady dividend and consistent growth. Fortis has increased its dividend for 47 consecutive years.

And in the last five years, that dividend has been increased by more than 34% or a compound annual growth rate of more than 6%. Buying high-quality stocks that pay consistently growing dividends can do that for you. Plus, the above example doesn't even take into account the money you could reinvest into more dividend stocks to grow that passive income even faster.

So if you're looking to build a consistently growing passive income stream, I'd stick with high-quality dividend stocks like Fortis.

### CATEGORY

1. Dividend Stocks
2. Investing

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