



The Best Stocks for Passive Income: Here Are 2 Top Dividend Aristocrats

Description

If you're looking to build a passive-income stream, some of the best stocks to buy are Dividend Aristocrats.

The Canadian Dividend Aristocrats list consists of companies that have increased their dividend payments to investors for at least five consecutive years.

These companies are great investments for any investor but especially those looking to build their passive income.

For starters, they are dividend-growth stocks. So, they are returning capital to investors and consistently increasing the payout, which helps your passive income continuously grow. They are also top investments, though, because these are some of the best companies in Canada.

The simple fact that they can continue to increase their dividends each year often means these stocks have some of the most resilient operations on the market. And especially after a year where the pandemic affected stocks across several industries, you know that if a company was able to increase its dividend through last year, it probably has some highly robust operations.

So, if you're looking to grow your passive-income stream today, here are two of the top Canadian Dividend Aristocrats to buy now.

A top Canadian utility stock for passive-income seekers

A Dividend Aristocrat in Canada with one of the longest streaks and a favourite holding for investors looking to protect their capital is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Fortis is a top utility stock, — an industry that's well known to produce some of the safest investments. These businesses are not only regulated by the government, but they are services that everyone needs.

For example, Fortis owns 10 utility operations across North America in Canada, the United States and the Caribbean. In total, it offers gas or electric utility services to more than 3.4 million customers.

This is why a business like Fortis is ideal to own if you want to build a safe passive-income stream that can continue to grow each year.

In fact, Fortis has been increasing its dividend for 47 years consecutive years now. That just shows you what kind of an incredible business it is for [dividend investors](#). Plus, its dividend has increased by more than 25% in just the past five years — an incredible amount.

So, if you're looking for a highly resilient stock that will raise its payout to you each year, Fortis is one of the best stocks to buy in Canada.

A top Canadian telecom stock

Another high-quality Canadian dividend stock to consider today is **Telus** ([TSX:T](#))([NYSE:TU](#)). Telus is still a highly safe business that's perfect for passive-income seekers. I just wouldn't quite say it's as safe as Fortis.

However, Telus offers investors more growth potential, which may make it a better investment than Fortis for many investors.

[Telecommunications](#) are nearly as safe and as crucial to our economy as utilities are. And with the introduction of 5G technology ongoing, there is a tonne of potential for these companies to continue growing their operations for years.

It's already seen incredible growth of more than 20% in its revenue over the last five years, which has translated to some strong gains for investors.

And not only does buying Telus give you exposure to tonnes of capital gains potential, but you'll also collect its attractive 4.3% dividend that continues to grow each year. In the last five years, its dividend has increased by more than 35%. That's even more growth than Fortis.

So, if you're looking for a top Canadian dividend stock that will help your passive income consistently increase, Telus is a great choice.

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