



2 Canadian Dividend Stocks That Cut You a Cheque Each Month

Description

There is hardly any better feeling than receiving passive income, which is why dividend investing is one of the most popular strategies there is. Most Canadian dividend stocks, though, pay investors each quarter.

If you are looking to build passive income and want that money sooner so that you can begin to compound it, you might want to consider buying stocks that pay dividends each month. Receiving that money even sooner allows you to find other stocks and put your capital to work faster, which will ultimately help you to [compound](#) and grow your money even quicker.

So, if you're looking for a high-quality Canadian dividend stock that pays you each month, here are two of the best to consider today.

A top restaurant royalty stock

If you're a [dividend investor](#), one of the best stocks in Canada to consider is **Pizza Pizza Royalty** ([TSX:PZA](#)). Pizza Pizza royalty is an attractive company that's designed specifically for dividend investors.

The company earns a royalty on all the sales that each of its restaurants across Canada does. It then pays 1% or 2% in administrative fees, resulting in an operating margin that's consistently 98% or better. All that's left is to pay tax and then essentially return the rest of the cash to investors.

The makeup of its business is perfect for investors looking to buy an investment that will pay them an attractive amount of passive income.

Because the Canadian dividend stock receives a royalty on sales from hundreds of restaurants across the country, the level of sales and, therefore, dividend income is very consistent.

Of course, the unprecedented nature of the pandemic impacted Pizza Pizza, but as it's recovered, it continues to offer some of the best opportunities, much like it did before the pandemic.

Plus, as is evidenced by its recent increase in its dividend, the stock continues to see a recovery in its sales.

So, if you're looking for a top dividend stock that currently yields 6.25% and pays you every month, Pizza Pizza is an ideal choice.

One of the best Canadian dividend stocks to buy today

Freehold Royalties ([TSX:FRU](#)) is another high-quality Canadian dividend stock that pays you every month. Much like Pizza Pizza, the fact that it's a royalty stock gives it a tonne of unique advantages and makes it a perfect company for dividend investors.

Freehold is attractive because the stock has so much upside potential, especially these days, as the energy industry, and producers specifically, have been rallying so rapidly.

But because Freehold doesn't necessarily produce the energy itself, and instead receives a royalty from the companies that produce on its land, the stock is much more resilient, making it a better long-term investment.

Already this year, the Canadian dividend stock has gained over 100%. Yet, at this price, the dividend still yields an impressive 5.9%. This is thanks to the massive increase in revenue Freehold has seen over the last 12 months, which has resulted in the company increasing the monthly dividend on four separate occasions.

And going forward, Freehold continues to offer a tonne of growth potential. Just this month, it announced another acquisition that should only add to the massive amount of cash flow the dividend stock can generate.

So, if you're looking for a high-quality Canadian dividend stock that pays you monthly, Freehold is a top buy.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:PZA (Pizza Pizza Royalty Corp.)

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