Passive Income: 3 Top Dividend Stocks to Buy Now

Description

Passive income, or being able to make money while you sleep, is one of the most attractive aspects of investing. One of the best ways to see this in action is in dividend stocks. These are companies that will pay shareholders a portion of its earnings in exchange for holding shares in the company. By accumulating enough of these dividend stocks, investors can supplement and eventually replace their primary sources of income. Here are three top dividend stocks to buy now!

Look for stocks with long histories of increasing dividends

When looking for dividend companies to add to your portfolio, investors should consider whether a company has been able to raise its dividend over a long period. This is important, because it gives investors an opportunity to see their dividends increase alongside (if not faster than) inflation rates. It also signals to investors that a company's management team is capable of intelligently allocating capital over long periods of time. An example of such a company would be **Fortis** (TSX:FTS)(NYSE:FTS).

For those that are unfamiliar, Fortis provides regulated gas and electric utilities to 3.4 million customers in Canada, the United States, and the Caribbean. As of this writing, Fortis claims the second-longest active dividend-growth streak in Canada at 47 years. It also offers a forward dividend yield of 3.54%. This means an investment of $100,000 would increase your income by $3,540 this year.

The Canadian banks are excellent dividend companies

When looking for dividend companies, one of the best places to start would be the Canadian banking industry. Investors love putting money in this industry because of its highly regulated nature. This makes it very difficult for new competitors to enter the industry and displace the leaders. As a result, the Big Five have managed to create significant moats over the years. Of that group, **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) stands as my top choice.

Unlike its peers, Bank of Nova Scotia has focused a significant amount of its assets outside of North

America. That puts it in position to see massive gains over the coming years, as its international business catches up to its North American segments. Bank of Nova Scotia holds a 10-year dividend-growth streak. Its forward dividend yield currently stands at 4.60%. A $100,000 investment in this company would give you $4,600 in dividends this year.

More than meets the eye

Telus (TSX:T)(NYSE:TU) is known by many Canadians as a provider of telecommunications services. That's certainly true. Telus claims the largest network coverage area in Canada, although it shares that title with **BCE**. One aspect of Telus's business that deserves more attention is its healthcare segment. The company offers many services, including EMR solutions, to healthcare providers in Canada. Telus also offers a telehealth solution, allowing Canadians to seek health care from anyone convenient to them.

Like the other companies mentioned here, Telus is a Canadian Dividend Aristocrat. The company's dividend-growth streak currently stands at 17 years. Telus also offers a forward dividend yield of 4.41%. This means that a $100,000 investment would give you $4,410 in dividends this year.

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2. Investing

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