



2 Canadian Stocks That Deliver Safe Dividends

Description

[Dividend investing](#) in the right income-generating assets has proven itself to be a reliable way for Canadian investors to earn a steady stream of passive income. Growing concerns over the [Omicron variant](#) of COVID-19 have sent equity markets into another state of volatility. At writing, the **S&P/TSX Composite Index** has fallen by almost 4.7% from its November 12 levels.

Investors seeking safety and reliability for their investment portfolios amid rising volatility and uncertainty should consider adding income-generating assets that can provide them with a degree of capital protection. Today, I will discuss two Canadian dividend stocks that can deliver safe dividends. It might be worth your while to buy shares of these two dividend-paying companies.

BCE

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) stock and its peers in the Canadian telecom industry have proven themselves as mainstays amid an increasingly digitized landscape. The company's increasing presence in the growing 5G industry, expanding fiber and rural wireless home internet networks throughout the country, and consistent demand for its services have positioned it well for healthy and stable cash flows.

BCE stock boasts a lengthy dividend-paying streak that began in 1881, and its dividend streak has stood the test of time. The last decade has seen the company increase its shareholder dividends at a compounded annual growth rate of 6.7%. BCE stock is trading for \$65.79 per share at writing, and it boasts a juicy 5.32% dividend yield that you could lock into your portfolio today.

Algonquin Power & Utilities

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) stock is another company that provides an essential service to its customers. The company is a low-risk business that provides utility services through highly rate-regulated and long-term contracted renewable energy assets. The company's stable cash flows and growing portfolio through strategic acquisitions have allowed its management to

consistently deliver dividend hikes to its shareholders.

The company has recently managed to sign a deal to acquire two companies from American Electric Power Company for a deal worth an estimated US\$2.85 billion. Its acquisition of Kentucky Power Company and Kentucky Transmission Company could set it up for a significant boost to its cash flows in the coming years.

At writing, Algonquin Power and Utilities stock is trading for \$17.93 per share, and it boasts a juicy 4.79% dividend yield that the company can comfortably sustain and increase in the coming years.

Foolish takeaway

A combination of the right dividend stocks in your self-directed investment portfolio can help you create a revenue stream that can keep lining your account balance with more cash through shareholder dividends even during volatile operating environments. You can consider reinvesting the shareholder dividends through a dividend reinvestment plan.

Purchasing more shares of the dividend-paying companies can help you unlock the power of compounding to [accelerate your wealth growth](#). BCE stock and Algonquin stock could be ideal assets to consider for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BCE (BCE Inc.)

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