



Here's 1 of the Best Income Stocks on the Market

Description

Looking for one or more superb stocks to generate a reliable [source of income](#)? Fortunately, the market is not without plenty of options to consider. Some of those options have been providing reliable income streams for decades or longer. Here's one such option to consider, which is arguably one of the best income stocks on the market.

Stop looking and buy this stock now

That stock you should buy is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). Most prospective investors will recognize BCE as the telecom and media behemoth it is.

Both segments helped BCE to generate an impressive revenue stream, which in the most recent quarter topped \$5.8 billion. In terms of earnings, BCE reported \$813 million during that most recent quarter. This represents an impressive 9.9% increase over the same period last year.

As impressive as those results are, they don't paint the full picture as to why investors should buy BCE.

For that, let's look a little deeper.

BCE provides the typical complement of core subscription services to customers across the country. This includes wired, wireless, internet, and TV segments. Pre-COVID, this was where the defensive appeal of a telecom stock laid.

The pandemic has changed all of that, and arguably increased the appeal of BCE.

Many office workers are now full-time remote employees. Many students remain under a remote-instruction model. Both segments have elevated the need for a fast and consistent phone and internet connection to one of necessity.

The same could be said of the wireless segment. The pandemic pushed shoppers to browse by swiping on phones rather than in person. A slew of new (and data-hungry) retail apps for shoppers, as

well streaming studios have helped carve out new segments.

Perhaps most importantly, those trends aren't temporary, and this is where the appeal lies for investors. Let's turn back to those recent quarterly results. In that period, retail internet and IPTV subscriptions surged 10.9%. The internet segment saw over 65,000 connections in the quarter — which was the best performance in 15 years. The wireless segment saw 136,464 net subscriber activations, reflecting a solid 14.3% improvement.

Defensive investments are many. Few of them can provide a recurring income stream

One of the main reasons why investors continue to flock to BCE is the company's quarterly dividend. BCE has been providing investors with that dividend for well over a century. Further to that, BCE has provided annual or better upticks to that dividend for decades.

That dividend currently works out to an impressive yield of 5.34%. To put that juicy yield into context, let's consider a \$35,000 investment in your TFSA. Not accounting for growth or dividend increases, BCE will earn just shy of \$1,870 in the first year. If we were to factor in growth and dividend hikes, that figure would grow considerably higher.

Even better — if you aren't ready to draw on that income just yet, reinvesting that amount will yield even higher returns when you need them.

This fact alone makes BCE one of the best income stocks on the market.

One of the best income stocks on the market

All investors, irrespective of experience should recall that no investment is without risk. That statement applies even to the best income stocks on the market, such as BCE. Fortunately, BCE provides investors a handsome recurring income stream backed by a stable (if not growing) business. That business is also incredibly [defensive](#).

In other words, buy BCE now and hold it for decades.

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