



4 TSX Stocks for a Growing Passive-Income Stream for a Lifetime

Description

The pandemic taught us the significance of passive income. While governments across the globe announced massive packages to aid individuals and businesses amid the pandemic, having a passive-income stream would have eased the financial burden even more.

Thus, it's prudent to have a [passive-income](#) stream that grows with you and acts as a cushion amid economic hardship. This article will focus on four such stocks that are reliable bets to generate a growing passive-income stream.

Canadian Utilities

Utilities are the best bet when it comes to generating passive income through dividends. Their conservative business mix, regulated cash flows, and resilient assets drive earnings and support higher dividend payments. Consider **Canadian Utilities** ([TSX:CU](#)) stock, which has been growing its dividend for 49 consecutive years and could continue to increase it in the future.

Its high-quality assets, continued investments in the regulated and contracted businesses, and cost-optimization drive its earnings and, in turn, its dividend payments. Canadian Utilities stock pays a quarterly dividend of \$0.44 a share, translating into a high yield of 4.9%. Its growing rate base, regulated assets, and sustainable payout ratio make it a logical long-term investment to generate a growing passive income.

Fortis

Along with Canadian Utilities, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is another top stock in the utility sector to generate a reliable passive income for a lifetime. It has consistently increased its dividend (48 years in a row) and has strong visibility over its future payouts.

Fortis owns diversified regulated assets that generate predictable cash flows and support higher dividend payments. Looking ahead, it projects its rate base to grow and reach \$41.6 billion by 2026.

Thanks to its growing rate base, Fortis expects its dividend to have a CAGR of 6% through 2025.

Looking ahead, the ongoing strength in its core business, rate base growth, strategic capital allocation, and growth opportunities in the renewable segment will likely drive its earnings and dividends. Fortis pays a quarterly dividend of \$0.535, reflecting a yield of over 3.6%.

TC Energy

Thanks to its regulated and contracted assets and resilient cash flows, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) stock should be a part of your passive-income portfolio. It has raised its [dividend](#) for more than two decades. Meanwhile, its dividend has had a CAGR of 7% since 2000.

Looking ahead, I expect TC Energy's dividend to get a boost from the higher utilization of its assets and strong secured capital projects. Its secured projects are supported by take-or-pay and cost-of-service arrangements, which is encouraging.

Further, the recovery in energy demand, higher commodity prices, cost savings, and revenue enhancements augur well for growth. TC Energy expects its EBITDA to grow at a CAGR of 5% through 2026. Moreover, it projects 3-5% annual growth in its dividends. It pays a quarterly dividend and offers a yield of 5.8%.

Enbridge

Enbridge's ([TSX:ENB](#))([NYSE:ENB](#)) long dividend payment history and high yield make it a must-have stock to generate a growing passive income. Its diversified cash flows, strength in the core business, and recovery in mainline volumes indicate that Enbridge could continue to increase its dividends and boost its shareholders' returns.

Further, higher asset utilization rate, revenue escalators, and acquisitions could continue to drive its revenues and distributable cash flows. Meanwhile, strong secured projects, growing renewables footprint, and long-term contractual arrangements augur well for growth. Fortis pays a quarterly dividend and offers a high yield of 6.8%.

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TRP (Tc Energy)
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5. TSX:ENB (Enbridge Inc.)
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