



Passive Income: 3 Cheap Stocks to Buy and Hold Forever

Description

Recent stock market volatility has created some attractive opportunities for passive-income investors. Certainly, the market has largely hit high-growth stocks, but some high-quality [dividend stocks](#) have also pulled back. Market pullbacks can offer the opportunity to buy a stock when its dividend yield is elevated, despite its business fundamentals remaining the same.

Don't trade in and out of top passive-income stocks

I like it even more when passive-income stocks have fundamentals that support dividends and dividend growth today, but also for many years ahead. Warren Buffett once said, "Our favourite holding period is forever." By this he means that if you find a company that has an operational "secret sauce" with long tailwinds for growth, why trade in and out?

Own a stream of passive income perpetually

When looking for passive income, this long-term mindset is ever more important. If you trade in and out, you'll miss out on the power of compounding dividends and income. As Mr. Buffett also said, "If you aren't willing to own a stock for 10 years, don't even think about owning it for 10 minutes." So, if you are looking for passive income that you can own in perpetuity, here are three relatively cheap stocks I would consider today.

Fortis

Perhaps I would not call **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) cheap here. However, it has recently pulled back 2.7% since the start of the year. Yet there are reasons to hold this passive-income stock for as long as possible. Firstly, it is made up largely of regulated transmission utilities across North America. These are critical infrastructure assets that collect reliable and predictable cash flows.

Secondly, that reliability has helped support 48 consecutive years of dividend increases. If you want a

fairly sure thing, chances are very good that Fortis will continue to pay and grow its \$0.535 per share quarterly dividend for many years.

Today, this stock yields 3.6%, but years from now, your yield on cost will likely be substantially higher. Fortis is a great anchor against volatility in your portfolio.

Brookfield Renewables

Another stock playing on the green electrification of society is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). This passive-income stock has [declined](#) by 28% over the past year. Today, it is starting to look like a very attractive long-term entry point. Brookfield is one of the largest pure-play renewable [energy businesses](#) in the world.

Brookfield sees a large opportunity over the coming decade to help assist companies, utilities, and municipalities convert to green electric sources. It already has power agreements with major corporations like **Amazon.com** and **Facebook**.

The company has a development pipeline that could more than double its current power capacity. This should fuel solid cash flow growth ahead. Today, the stock pays a 3.6% dividend. It has raised that dividend on average by a 5.7% rate for the past 10 years.

BCE

Another passive-income stock investors can hold for a very long time is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). Everyone needs cellular coverage and internet today. These services are as essential as power or natural gas. Likewise, BCE holds a very dominant position among only a few competitors in Canada. As a result, it can collect and grow its annual cash flows in a predictable manner.

BCE pays an attractive \$0.875 dividend every month. That is equal to a 5.3% yield, which is higher than **Rogers's** and **TELUS's** current dividend yields. Like the stocks above, it has grown that dividend income annually by around 5.5% every year. For stable, reliable passive income, this is solid stock to just buy and hold for years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
6. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. robbybrown

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2022/01/13

Author

robbybrown

default watermark

default watermark