



## 2 Reliable Dividend Stocks for Generating Passive Income

### Description

Volatility in the stock market was at record levels in 2021, and I don't expect that change anytime soon. With no shortage of uncertainty in the stock market today, we've already witnessed dramatic price swings in 2022, and we're barely two weeks into the new year.

As someone whose portfolio skews towards [growth stocks](#), I'm looking to balance that out this year. As a result, I'm in search of a few dependable dividend stocks that could generate passive income for my portfolio on a consistent basis.

I've reviewed two dividend stocks that are at the top of my watch list right now. Both companies' dividends are yielding upwards of 3% at today's prices.

If generating a new passive-income stream is one of your financial resolutions this year, I'd highly suggest investing in at least one of these two [dividend stocks](#).

### Dividend stock #1: Bank of Nova Scotia

If dependability is what you're after, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is the dividend stock for you.

The Canadian bank has been paying a dividend to its shareholders for close to two centuries. It began paying dividends in 1833 and hasn't missed a year since. On top of that, the company has increased its dividend in 43 of the past 45 years. Good luck trying to find another dividend stock with that type of track record.

In addition to a dependable payout, not many other dividend stocks can match Bank of Nova Scotia's 4% yield. It's not only one of the highest-yielding stocks on the **TSX**, but it's also the highest among all major Canadian banks.

I won't argue that the financial sector is anywhere near the most exciting area of the market to be investing in. It is, however, dependable. And if you're in the process of building a passive-income



stream, dependability is exactly what you want.

## Dividend stock #2: Sun Life

**Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) is another trustworthy dividend stock that passive-income investors will want to have on their radar.

The insurance stock cannot match Bank of Nova Scotia's payout streak or yield. That being said, not many dividend stocks can. At today's stock price, Sun Life's annual dividend of \$2.64 per share yields a respectable 3.7%.

Where Sun Life has the edge over Bank of Nova Scotia is growth. Including dividends, Sun Life has largely outperformed the Canadian stock market over the past five years. In comparison, Bank of Nova Scotia has lagged behind the market's returns in recent years.

Even with Sun Life's strong growth performance over the past five years, shares are still very reasonably priced. The insurance stock is currently trading at a ridiculously [cheap](#) forward price-to-earnings ratio of barely above 10.

If you're looking for some long-term growth potential alongside a dependable dividend, Sun Life is a top choice.

## Foolish bottom line

After experiencing a year of ups and downs in 2021, I'm putting more of an emphasis on passive-income investing this year. I'm looking towards dividend stocks to help balance out the high-growth companies in my portfolio.

If you're looking to build a passive-income stream through dividend stocks, I'd suggest focusing on companies with high yields and dependable payout track records. And the two companies that I've reviewed definitely check off both of those boxes.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:SLF (Sun Life Financial Inc.)

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