



2 Dividend Stocks for Passive Income in 2022 and Beyond

Description

Stock market investing with a calculated approach can help you achieve a wide range of financial goals, whether you want to create a retirement nest egg or a passive-income stream. [Dividend investing](#) is an excellent way to earn money while you sleep, provided that you can identify the right income-generating assets for this purpose.

Volatility has been a concern for the stock market due to the pandemic ever since early 2020. The **S&P/TSX Composite Index's** strong performance last year, despite the pandemic, showed that growth is still possible.

At writing, the Canadian benchmark index is up by 2.37% year to date. However, rising interest rates and an inflationary market environment could result in more volatility for equity markets in the coming months. Investing in creating a passive-income stream could be an excellent way to continue generating returns on your investments and counteracting the impact of rising living costs.

Today, I will discuss two [dividend stocks](#) that could be excellent as core holdings for a passive-income portfolio.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is an \$11.82 billion market capitalization regulated utility and renewable energy conglomerate. Utility businesses are some of the most reliable stocks if you are looking for passive-income machines that you can rely on. The company's revenue streams generate fairly predictable cash flows, mitigating the impact of volatility on its performance.

Algonquin's renewable energy segment separates it from other utility businesses due to the segment's long-term growth potential. At writing, Algonquin Power stock is trading for \$17.55 per share, and it boasts a juicy 4.95% dividend yield. Investing in its shares right now could help you lock in the high dividend yield and get more significant long-term returns through capital gains in the future.

Toronto-Dominion Bank

The Big Six Canadian banks are some of the most reliable stocks to consider if you are looking for stable income and long-term growth. **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is one of the Big Six, and it boasts a \$190.26 billion market capitalization. The bank enjoys considerable revenues through its operations across the border in the United States and strong domestic operations.

With its presence in the U.S. growing steadily, TD Bank investors can diversify away from the Canadian economy to enjoy potentially greater returns in the coming years. TD Bank stock is trading for \$104.15 per share at writing, and it boasts a 3.42% dividend yield that you could lock into your portfolio today.

Foolish takeaway

Dividend investing is an excellent strategy for earning more revenue that can [supplement your active income](#) when you need additional support to finance your expenses during inflationary environments.

If you reach the point where you don't need to supplement your active income with a passive-income stream, you can reinvest the shareholder dividends you earn to unlock the power of compounding and accelerate your wealth growth.

Algonquin Power & Utilities stock and TD Bank stock could be ideal additions to your portfolio for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:TD (The Toronto-Dominion Bank)

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Author

adamothonman

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