



3 of the Safest Dividend Stocks in Canada

Description

Earning passive income is not just a great feeling. It's also an excellent way to utilize the power of [compound interest](#) and investing for the long term. And if you're building a portfolio of Canadian dividend stocks, owning safe and reliable businesses will be paramount.

So if you're looking to grow your passive income stream, here are three of the best dividend stocks to buy now.

A top Canadian utility stock

If you're looking to buy a safe dividend stock that can earn you attractive passive income, [utility stocks](#) are some of the best to own. And while there are several attractive utility stocks to consider, one of the best Canadian companies to own for years is **Emera** ([TSX:EMA](#)).

Emera is an electric and gas utility stock with over \$30 billion in assets and operations in six countries across North and Central America. This diversification and the fact that 95% of its revenue is regulated makes it highly reliable. And over the next few years, it's investing a tonne of capital in growth, the majority of which is reinvested cash flow.

So with Emera offering a [dividend yield](#) of 4.5% and 4% to 5% growth in the dividend annually through 2024, it's not just one of the best and safest Canadian stocks. Emera's also an excellent dividend growth stock.

So if you're looking to shore up your portfolio and buy one of the most reliable companies in Canada that will continue to pay you a growing dividend each year, Emera is one of the best.

A high-quality financial stock

Another excellent Canadian dividend stock that's highly safe and one of the best long-term investments to make today is **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)). Manulife, the massive insurance and wealth

management company, is one of the best stocks to buy today for several reasons.

First off, because it's so large, operates in such an important industry, and has healthy financials, it's a highly safe stock. Like Emera, it's a dividend aristocrat, as it's consistently increasing the cash it's paying out to investors.

In addition to being reliable, though, Manulife is also trading [undervalued](#). In addition, with interest rates primed to start increasing this year, Manulife will be one of the biggest beneficiaries.

Even analysts think the stock is worth more than 20% above where it trades today, as the average target price sits at almost \$32 a share. Plus, at the current market price, it offers an attractive dividend that is currently yielding approximately 4.5%

So if you're looking for a safe and reliable dividend stock that you can buy and hold for years, Manulife is an excellent stock to consider.

A highly safe dividend stock

Lastly, another highly defensive industry to invest in is [consumer staples](#) — companies that sell food and other essential household items. There are a few highly reliable consumer staple stocks in Canada, but one of the best dividend stocks is the **North West Company** ([TSX:NWC](#)).

North West, of all its consumer staple peers, pays the largest dividend, which currently yields upwards of 4.25%. That's certainly a compelling reason to buy North West, but it's not the only reason to consider.

North West offers a lot of potential because it operates mostly in remote communities. This means it has little competition. However, it's also been vertically integrating its operations, bringing a cargo airline in-house, for example. This has helped tremendously to improve its margins, as North West can control its costs better.

So with the company improving its profitability and consistently increasing its payout, it's a company you can own for years. And because it's so safe and reliable, in this market environment it's certainly one of the best Canadian stocks to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:EMA (Emera Incorporated)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:NWC (The North West Company Inc.)

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