



Generate Passive Income for Decades

Description

Finding that perfect mix of investments to generate passive income can take years. This is especially true when factoring in the sheer number of investments that can become part of your portfolio. Fortunately, there is hope for investors looking to get on that passive-income train.

Here are two investments to start your portfolio with.

Look for income in the right places – that we take for granted

One of the best places to find an investment that will generate passive income on a recurring basis is by finding stable businesses that we take for granted. One of the first businesses that should come to mind is utilities.

Utilities provide a necessary service that is backed by long-term regulatory contracts that span decades. Additionally, utilities are some of the most defensive businesses on the market, making them great additions to any buy-and-forget portfolio.

One utility for investors to consider buying is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Fortis is one of the largest utilities on the continent, with an impressive portfolio that includes both generation and distribution elements. In terms of coverage, Fortis' operations blanket parts of the U.S., Canada, and the Caribbean.

Apart from its massive size and defensive operation, Fortis earns its place on this list easily. Specifically, the company continues to generate passive income thanks to its stellar dividend history. Fortis has provided handsome annual hikes to its dividend going back 48 consecutive years. If Fortis continues that trend (which it has already forecasted to do so), the company will become a Dividend King with 50 years of consecutive, annual increases.

The current dividend works out to a handsome yield of 3.58%.

Another great stock to generate passive income: your phone

Following on the same taken-for-granted theme, let's turn to another lucrative opportunity to generate passive income. Telecoms are great long-term investments that also provide an increasingly necessary service to us.

Telecoms are also one segment of the market that has grown immensely in importance since the global pandemic began nearly two years ago. Specifically, there are now more people both working and learning remotely than ever before. This elevates the need for a stable wireless and internet connection to one of necessity.

In other words, as subscribers are using more data and needing faster connections, telecoms are generating more revenue.

But which of Canada's telecoms should you add to your portfolio? The telecom to turn to for long-term growth is **Rogers Communications** (TSX:RCI)(NYSE:RCI.B). In addition to offering the typical subscription-based offerings, Rogers also boasts a massive media arm that includes dozens of radio and TV stations.

As a stock to generate passive income, Rogers may not appeal to some investors, at least at first glance. The company stopped [providing annual bumps](#) to its dividend several years ago. Instead, Rogers opted to redirect those funds to paying down its debt and investing in new initiatives.

The result is a leaner and more focused Rogers. That's not to say the company can't provide a decent income. Rogers boasts a quarterly dividend that carries a yield of 3.07%.

Rogers has also stated in the past it will provide bumps to its dividend when it can, just not on an annual cadence. The company last raised its dividend in 2019.

Final thoughts

Generating a stable income stream takes both the right investments and time. Fortunately, both Rogers and Fortis can provide investors with decades of stable, if not growing income.

A \$35,000 investment in both Rogers and Fortis will provide the first-year income of \$1,074 and \$1,253, respectively. Even better – investors not yet ready to draw on that income can reinvest it (tax-free if in your [TFSA](#)) letting it grow further.

In my opinion, both Rogers and Fortis are great investments to generate passive income for nearly [any well-diversified portfolio](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)

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