Growing Passive Income: 2 Top Dividend Stocks to Buy in February

Description

Finding high-quality dividend growth stocks that you can buy and commit to for years offers Canadian investors the best of both worlds. Not only are you receiving passive income, but you're also investing in stocks that will continue to grow that passive income, and in many cases, the share price as well.

As long as you understand how the business makes money and have confidence it can continue to expand its operations and stay healthy, while consistently increasing the payout to investors each month, then it's an excellent investment worth making.

So if you're looking to increase your passive income and add a high-quality dividend growth stock to your portfolio, here are two of the best to consider buying in February.

A low-risk dividend growth stock

Utility stocks are excellent investments to consider if you want to earn safe and consistently growing passive income. And right now, one of the best utility stocks you can buy is **Emera** (TSX:EMA).

Emera is a major company with widespread operations across North America. The company provides electricity and gas utility services to over 2.5 million customers making it an extremely defensive and reliable company.

And going forward, the company has outlined a clear capital plan that should provide growth to both the share price and the passive income that investors can earn from the top dividend stock.

With its capital plan in place, Emera expects to grow its rate base at a compounded annual growth rate of 7% to 8% through 2024. In addition, it expects to increase the dividend between 4% to 5% each year through 2024.

So with the dividend growth stock already offering an attractive yield of roughly 4.4% today, it’scertainly one of the top investments Canadian investors can make if you’re looking to boost yourpassive income.

A higher-yield dividend stock that’s perfect for passive income seekers

In addition to Emera, if you’re willing to take on a bit more risk, a higher-yield dividend growth stock that can earn you a tonne of passive income is **Enbridge** (TSX:ENB)(NYSE:ENB).

Enbridge is certainly riskier than Emera, but that’s only because Emera is such a low-risk stock. Enbridge is still nowhere near a high-risk investment. In fact, it’s massive, has a market cap of more than $100 billion, and much of its operations are critical to the North American economy. Furthermore, it has increased its dividend every year for more than a quarter of a century, which shows just how reliable it can be.

Just like Emera, Enbridge’s current guidance extends through 2024, and it expects its distributable cash flow will grow between 5% and 7% annually during that period.

That means investors can continue to count on strong dividend growth. So the fact that Enbridge already offers a yield of 6.3% right now makes it one of the best Canadian stocks to buy if you’re looking for consistently growing passive income.

It’s extremely reliable, it’s rapidly expanding its renewable energy exposure, and 80% of its EBITDA has inflation protections.

So if you’re looking for a top Canadian dividend stock that can continue to earn you strong growth for years, Enbridge is one of the best to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:EMA (Emera Incorporated)
3. TSX:ENB (Enbridge 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. danieldacosta
2. jguest

Category

1. Dividend Stocks
2. Investing

Date
2025/07/22
Date Created
2022/02/03
Author
danieldacosta