



Want Passive Income for Life? It Only Requires 1 Move

Description

Passive income refers to [money earned with little or minimal effort](#). Canadians are fortunate, because it only requires one move to create earn passive income for life: purchase established dividend stocks with dividend-growth potential to boost your retirement income significantly.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are TSX's top buy-and-hold stocks. Besides the enduring businesses, their dividends tend to grow over time. Likewise, dividend growth should enable investors to [outpace inflation](#). For younger investors with long timelines, the energy king and telco giant can set them up for dividend-income living in the future.

Utility-like business model

Enbridge currently pays an ultra-high 6.50% dividend yield. At \$42.27 per share, investors enjoy an 8.2% year-to-date gain. Assuming you invest \$75,000 today, your money would compound to \$192,888 in 15 years. If the yield remains constant, the quarterly dividends in 2037 would be \$3,134, or \$1,044 per month.

The \$83.98 billion energy infrastructure company has the financial capacity to grow and sustain its dividend growth. Enbridge's low-risk, utility-like business model and four best-in-class franchises are the reasons for the leading shareholder returns. The total return in the last 46.11 years is a commanding 52,002.67% (14.53% CAGR).

Management's ongoing concern is to develop its existing assets (gas distribution, gas transmission, and liquids pipeline) and building a new renewable power portfolio. The competitive advantages are the diversified sources of cash flows and predictable cash flows.

About 98% of Enbridge's cost of service are highly contracted, and 95% of clients are investment grade. Another unique advantage is that 80% of EBITDA has built-in inflation protection. Moreover, the company is confident its businesses have high visibility to attract organic growth opportunities. It should drive future cash flow growth.

Enbridge expects distributable cash flow (DCF) per share to grow by 5-7% (CAGR) through 2024. From 2022 to 2024, the company has a secured capital program of \$9 billion and an annual investment capacity of \$5 billion to \$6 billion. Given the low-risk commercial and financial profile, this energy stock's dividend-growth streak should extend to 28 consecutive years in 2022.

Top 5G stock

Canada's most dominant telecommunications company pays an [above-average](#) 5.27% dividend. At \$66.40 per share, the trailing one-year price return is 29.5%. BCE's total return in 46.11 years is 76,720.97% (15.5% CAGR). The \$59.29 billion company's first dividend payment was in 1881, and it hasn't missed a payout since.

On February 1, 2022, Bell won top honours from Global Wireless Solutions (best 5G network) and *PCMag* (fastest 4G and 5G mobile network). Ookla also named Bell as Canada's fastest 5G network. BCE will release its Q4 and full-year 2021 results today. Industry analysts expect a 5.3% revenue increase from Q4 2020.

BCE didn't disappoint investors in Q3 2021, as evidenced by the 0.8% and 9.9% growth in operating revenues and net earnings versus Q3 2020. Management cited the strong marketplace performance, exceptional liquidity, and well-structured balance sheet for the impressive results. It also said BCE's net debt leverage ratio is the lowest in the sector.

Increase financial security

Apart from being wealth builders, Enbridge and BCE increases the financial security levels of investors. Canadians can expect a very comfortable retirement with substantial passive income on top of their Canada Pension Plan and Old Age Security pensions.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. 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. cliew
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/16

Date Created

2022/02/03

Author

cliew

default watermark

default watermark