



Dividend Stocks: How to Earn Growing Passive Income Every Year

Description

Saving your money and investing it to earn passive income and have your capital start to work for you is one of the best feelings. The more you save and the longer you give yourself to invest, the more opportunity you have to take advantage of the wonders of [compound interest](#). That's why dividend stocks are some of the best investments you can buy.

We've all been taught that saving and investing our money for retirement is crucial in order to have a large nest egg that will give us financial freedom. And while all [types of stocks](#) offer advantages to your portfolio, the passive income that dividend stocks provide can be crucial, especially for investors who are approaching retirement.

Not only is passive income a lot more predictable and the returns you earn are less volatile, but these high-quality dividend stocks can often be some of the best performers during market turmoil, and the cash they generate for your portfolio will only continue to grow faster and faster as it builds up.

So, although dividend stocks in general are excellent investments, the best stocks to buy, especially if you want to grow the passive income your portfolio generates consistently, are dividend-growth stocks.

Dividend growth stocks can help grow your passive income rapidly

Naturally, over time, most Canadians are constantly saving money when they can and investing it in assets such as stocks to help grow the value.

Over time, as you save more money and add it to your portfolio, you'll have more capital available to invest in dividend stocks and consistently increase the passive income your portfolio is generating.

But by owning a tonne of high-quality, dividend-growth stocks, in addition to your savings, which help your passive income to grow, these stocks will be some of the biggest wealth contributors.

The best dividend-growth stocks are constantly increasing their payouts to investors. That means you

can find several high-quality stocks that will constantly give you a raise and pay you more money each year.

This is why, if you're looking to build an attractive stream of passive income, dividend-growth stocks are some of the best to buy.

Three top stocks to buy today

There are several high-quality dividend growth stocks for Canadian investors to choose from, which means investors can buy stocks across several industries and build a diversified portfolio. The best of the best, though, are typically on the Canadian Dividend Aristocrats list.

For example, a top utility stock such as **Emera** is extremely defensive and reliable. In addition, it pays a [dividend](#) that currently yields 4.4% and has grown by over 27% in just the last five years.

Enbridge is another high-quality dividend-growth stock for investors to consider. The stock currently [yields](#) a whopping 6.3%, and that dividend has grown by almost 50% in just the last five years.

Another excellent industry for passive-income seekers to find high-quality dividend stocks is telecommunications. And the best stock to buy in telecommunications has to be **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

BCE just raised its dividend again, all while it's accelerating its investments in expanding its new fibre and [5G](#) technology across Canada. This shows just how much of a cash cow it is, and in addition to generating excellent passive income today, it continues to invest in significant growth for the long haul.

So, with the stock offering a yield of more than 5.4% and after it's increased the payout by 28% over the last five years, BCE is another excellent Canadian dividend stock to buy if you're looking for reliable and constantly increasing passive income.

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1. Dividend Stocks
2. Investing

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