



2 Dividend Stocks to Generate Growing Passive Income

Description

You can take several possible strategies, as a stock market investor to grow your wealth. While day trading can provide you with short-term gains, true success in the stock market has almost always come through long-term investing.

A well-balanced portfolio of stocks that diversifies into different industries and market capitalizations can offer you the right combination of growth and stability over the long run and make you a wealthier investor. [Dividend investing](#) is one of the best ways to make the most of your investment capital.

Investing in the right group of income-generating assets, you can create a passive-income stream in your self-directed portfolio. The dividend payouts can keep lining your account balance with cash while you wait for the valuation of your investments to grow over the years. You can even consider reinvesting the shareholder dividends you earn to unlock the power of compounding to accelerate your wealth growth.

Today, I will discuss two dividend stocks that offer growing shareholder dividends. You could consider investing in them as foundations of a dividend income portfolio that generates a growing [passive income](#) for you.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a \$112.18 billion market capitalization giant in the Canadian energy infrastructure industry headquartered in Calgary. If you are looking for dividend-growth stocks that offer high dividend yields, Enbridge stock could be one of the strongest contenders to consider for your investment portfolio.

The company boasts a massive market capitalization but boasts even greater long-term growth potential. Enbridge is responsible for transporting a considerable portion of all the crude oil and natural gas consumed in North America. It has also started expanding into the renewable energy industry for a greener future.

At writing, Enbridge stock trades for \$54.99 per share, and it boasts a juicy 6.29% dividend yield that it can comfortably support through its highly profitable business.

Dollarama

Dollarama ([TSX:DOL](#)) is a \$19.73 billion market capitalization dollar store retail chain headquartered in Montreal. The company became the largest retailer of items worth \$4 or less in 2009 and boasts over 1,400 stores throughout Canada. Rising living costs and inflation rates have increased the popularity of its affordable wares in recent years, making the company considerably more profitable.

Dollarama also shares a portion of its profits with its investors through shareholder dividends. At writing, Dollarama stock trades for \$65.79 per share, and it has a meagre 0.31% dividend yield. The low dividend yield might not appear to be attractive. However, that is because it is retaining most of its capital to expand the company.

The company's growth potential will likely decrease over the years, as it becomes more massive. You can expect the company to give more back to its investors. It could be a viable investment to consider if you're looking for a company with growth potential and growing shareholder dividends.

Foolish takeaway

Creating a portfolio of dividend stocks that offer growing shareholder dividends can help you create a passive-income stream that can keep pace with and potentially beat rising inflation rates.

Suppose that you don't need the dividend income to supplement your active income for monthly expenses. In that case, you can reinvest the payouts through a dividend-reinvestment plan to purchase even more shares and [speed up your wealth growth](#). It's crucial to choose reliable dividend stocks for such a portfolio that have the potential to keep distributing shareholder dividends.

Enbridge stock and Dollarama stock have the kind of track records that could make them suitable investments for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:DOL (Dollarama Inc.)
3. TSX:ENB (Enbridge Inc.)

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