



Want to Earn \$250 a Month of Passive Income? Buy These 5 Dividend Stocks

Description

If you're looking to earn passive income, finding high-quality dividend stocks to buy is one of the fastest and simplest ways to start.

Furthermore, when you buy these stocks in [TFSA](#) and take advantage of its tax-free nature, you could save thousands of dollars in taxes over the years. It's crucial, though, to not just find high-quality stocks but to buy them for the long run. When you invest for the long haul, you can utilize [compound interest](#) to grow your capital rapidly.

With a TFSA that's maxed out and has a value of \$81,500, to earn \$250 a month, or \$3,000 a year, your portfolio would need to [yield](#) at least 4%. That's an attractive yield for your portfolio but still allows you to find stocks that offer growth potential as well.

And, of course, you'll want to make sure your portfolio is [diversified](#). If you're looking to grow your passive income and start earning tax-free cash consistently, here are five top dividend stocks to buy that together average a yield of roughly 4.3%.

A highly reliable utility stock

First off, some of the best dividend stocks to buy for passive income are highly reliable [utility stocks](#). That's why **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is one of the top investments to consider today.

Roughly 70% of Algonquin's business are these reliable utility operations across several states in the United States. However, it also has exposure to green energy generation, another defensive industry, but one with tonnes of long-term growth potential.

So, with Algonquin offering an attractive yield of 4.9% today, it's certainly one of the top dividend stocks to buy if you're looking to build a passive-income stream.

A top real estate stock to buy for growing passive income

Another excellent dividend stock to buy that offers consistently growing passive income is **CT REIT** ([TSX:CRT.UN](#)). CT REIT is the [real estate](#) fund that is majority owned by **Canadian Tire**. In addition, it also collects about 90% of its revenue from Canadian Tire or its subsidiary banners.

CT REIT's close relationship with Canadian Tire was a huge help during the pandemic, and because Canadian Tire continues to be such a strong brand and a high-quality company, CT REIT is an excellent investment.

Right now, it offers a yield of 4.9%. Since 2018, it's increased the distribution on four separate occasions.

A blue-chip stock offering an attractive yield

Another excellent stock you can have confidence buying is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), the massive [\\$100 billion](#) energy giant.

Enbridge is one of the most important infrastructure companies in North America. It transports up to a quarter of all the oil produced and 20% of all the gas consumed in the United States. Furthermore, it has a massive gas utility business, a growing [green energy](#) portfolio, and much more.

Because it's such a massive company with a major competitive advantage and long-life assets, it's a cash cow and the perfect dividend stock to buy for passive-income seekers. Plus, after more than 25 years of consistent dividend increases, today, Enbridge offers a yield of 6.3%.

A top Canadian dividend stock to buy for passive income

Several financial stocks have been gaining momentum lately, but **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)) is one of the best. In addition to the short-term potential that it has to see its profits increase as [interest rates rise](#), Manulife has a huge runway for growth in Asia.

This makes it an excellent dividend stock to buy for passive-income seekers and one you can hold for years. Plus, it consistently increases its dividend, and the stock offers a juicy yield of 4.8%.

A low-yield, high-growth stock

Not all dividend-growth stocks you buy have to offer a tonne of passive income. **Alimentation Couche-Tard** ([TSX:ATD](#)) is a lower-yield stock that only offers a yield of 0.8%. However, it offers much more capital gains potential.

It's still a high-quality stock with reliable operations. Right now, it just retains more capital to invest in [growth](#), as the company expands its operations around the world. Over the last decade, though, it's grown investors' capital by over 1,000%.

So, if you're looking for a top dividend stock to buy that will inevitably increase the passive income it generates for you over the years, Couche-Tard is an excellent choice.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:MFC (Manulife Financial Corporation)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ATD (Alimentation Couche-Tard Inc.)
6. TSX:CRT.UN (CT Real Estate Investment Trust)
7. TSX:ENB (Enbridge Inc.)
8. TSX:MFC (Manulife Financial Corporation)

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. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/21

Date Created

2022/02/14

Author

danieldacosta

default watermark

default watermark