



## Dividend Stocks: How to Quickly Build a Growing Passive-Income Stream

### Description

Over the past few years, the rise in Canadians looking to build a passive-income stream or start a side hustle has been growing rapidly. Although advancing in our primary careers is typically a top priority, one of the fastest ways to earn additional income is to start a side hustle or buy dividend stocks to earn passive income.

There are several different ways to begin earning passive income, all depending on your situation. If you have a lot of capital, but little time, you could consider buying an income property or becoming a renter on **Airbnb**.

On the flip side, if you have extra time but little capital, you could look for easy [side hustles](#) to start in your free time.

But one of the easiest ways to begin earning passive income, which requires only a little capital to get started, is buying high-quality dividend stocks.

### Buying dividend stocks for passive income

The fact that you can begin to invest and buy top Canadian dividend stocks for your [TFSA](#) without needing a tonne of capital is a significant advantage.

In addition, buying stocks, especially if you plan to own them for years, has small transaction costs. This makes it easy for Canadians to get into the market. In addition, small transaction costs mean you can consistently put money aside each month and continue to invest and expand your portfolio quickly.

Another significant advantage that [dividend stock investing](#) offers is that there are so many types of stocks to choose from. You can find stocks offering all sorts of yields, ones with much different growth potential, and stocks across several different industries to build yourself a diversified portfolio.

And on top of all these benefits, when you invest in a registered account like the TFSA, all the income that your investments generate will be tax free.

If you're looking to start earning extra money and want to build a passive-income stream, here is one of the top Canadian dividend stocks to buy now.

## A top Canadian dividend stock to buy today

If you're looking to buy a high-quality Canadian dividend stock that can earn you consistently growing passive income, one of the best stocks to start with is **Emera** ([TSX:EMA](#)).

Emera is a [utility stock](#) which makes it one of the safest stocks you can buy. Utilities are extremely important as heat and electricity are two essential services that both consumers and commercial customers can't go without. So, even when the economy is doing poorly, and other businesses are seeing an impact on operations, utility stocks like Emera should see almost no change in its business's ability to be profitable.

Because utility operations see such little volatility and are an industry that will be around for decades, these stocks' growth is typically highly predictable and low risk.

So, with Emera's capital plan investing roughly \$9 billion of capital to grow its operations through 2024, the stock looks like an excellent investment today. These investments should add 7-8% annual growth in Emera's rate base. In addition, it should also fuel annual dividend increases of 4-5% through the same period, up to the end of 2024.

Therefore, with the stock trading at a forward [price-to-earnings ratio](#) of just 19 times and offering a yield of 4.5%, it's the perfect dividend stock to buy now, especially if you want to start building a reliable and constantly growing passive-income stream.

### CATEGORY

1. Dividend Stocks
2. Investing

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## Date

2025/07/22

## Date Created

2022/02/16

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danieldacosta

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