



2 Dividend Stocks for Passive Income to Buy Today

Description

Generating passive income is good for everybody. Earning a little extra money each month that can go towards meeting your expenses or extra things to enjoy is always welcome. Canadian stock market investors can earn some passive income by using some of their savings as capital for [dividend investing](#).

Fixed-income assets like bonds can offer you virtually guaranteed income. You can even generate passive income through interest income by keeping your savings as cash in a high-interest savings account. However, dividend investing in the right income-generating assets can offer you far better returns than through fixed-income assets and interest income.

Today, I will discuss two dividend stocks that could be ideal as foundations for your passive-income portfolio.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a top utility stock that could be ideal for dividend-income investors. Algonquin Power is an \$11.93 billion market capitalization regulated utility and renewable energy company. An estimated 70% of Algonquin's portfolio comprises utility businesses across several states in the U.S., generating stable and reliable cash flows for the company.

Additionally, the company offers you exposure to the performance of the renewable energy industry. Green energy will power the future, and the industry boasts significant long-term growth potential. Algonquin is well positioned to capitalize on the trend through its portfolio of wind, solar, hydro, and thermal power-generation facilities.

Algonquin stock trades for \$17.73 per share at writing, and it boasts a juicy 4.90% dividend yield that you could lock into your portfolio today.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another excellent investment you could consider to generate passive income through dividend stocks. Enbridge is a \$107.09 billion market capitalization giant in North America's energy industry. It boasts an extensive pipeline network responsible for transporting a significant chunk of natural gas consumed in the U.S. and a quarter of all the oil produced in North America.

The company already plays a crucial role in the economy through its energy transportation business. It also generates significant revenues through its gas utility business, and it is expanding its renewable energy portfolio to prepare for a greener future. Enbridge stock is also a Canadian Dividend Aristocrat with a 25-year dividend-growth streak, effectively making it a cash cow for its investors.

Enbridge stock trades for \$52.79 per share at writing, and it boasts a juicy 6.52% dividend yield.

Foolish takeaway

Creating a [passive-income](#) stream through dividend investing can be useful for various short- and long-term financial goals. You could use the dividend income from your investments as cash for your monthly expenses. Suppose that you don't need the extra income and want to grow your savings.

In that case, you can consider reinvesting your shareholder dividends through a dividend-reinvestment plan. It can help you accelerate your [long-term wealth growth](#) by unlocking the power of compounding.

CATEGORY

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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