



Invest Now for a Huge Passive-Income Stream

Description

Generating a healthy passive-income stream takes a lot of patience. The temptation to buy a shiny growth stock at the moment is something we've all considered. Fortunately, there are stocks that can help attain both growth and income.

Here are a few buy-and-forget favourites to help generate that passive-income stream.

The utility

Utilities are excellent long-term holdings. They benefit from stable business models which come back to investors in the form of dividends.

The investment investors should consider buying it **Canadian Utilities** ([TSX:CU](#)). Canadian Utilities has provided investors with a healthy annual uptick to that dividend since 1972. In fact, the company is on track to become the first Dividend King in Canada this year when it hits a whopping 50 consecutive years of increases.

Speaking of which, that dividend carries a cool 5.04% yield. This works out to just over \$1,000 income for a \$20,000 investment.

The telecom

Telecoms represent another stable area of the market with long-term growth potential. When it comes to finding the right telecom investment to generate a passive-income stream, there are some great options.

One such option is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). BCE is one of the largest telecoms in the country with a subscription-based business that blankets Canada from coast to coast. In addition to that core subscription business, BCE also generates revenue from its massive media arm. That media segment includes dozens of TV and radio stations.

Furthermore, it's worth noting that both segments are complementary to each other. In other words, BCE is a well-connected, multi-channel behemoth.

In terms of a dividend, BCE has been paying out dividends for well over a century. The current quarterly payout carries a yield of 5.48%. A \$20,000 investment would earn a passive-income stream of \$1,100.

The bank

When it comes to stable investments, Canada's big banks are the gold standard to follow. They have solid earnings, juicy dividends, and a stable growing business at home and abroad.

The bank to consider adding to your long-term portfolio is **Canadian Imperial Bank of Commerce** ([TSX:CM](#)) ([NYSE:CM](#)). CIBC has a strong presence in Canada as well as in the U.S. market.

In fact, the bank's [business has done so well](#) since the pandemic that management is considering a future stock split for the company. In the most recent quarter, the bank posted a profit of \$1.87 billion, or \$4.03 per diluted share. That handily beat the same period last year, where CIBC reported a profit of \$1.63 billion, or \$3.55 per diluted share.

Turning to dividends, CIBC offers a quarterly distribution that currently works out to a yield of 3.94%. A \$20,000 investment will bump your income stream by \$790 in the first year.

The energy giant

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is the last stock to round out any passive-income stream. The energy infrastructure behemoth generates a reliable revenue stream through its pipeline business.

The company is also ramping up its renewable energy business, which, combined with its massive utility footprint, makes it a stellar pick. Throw in the billions in shovel-ready projects, and you have one of the best investments on the market.

Perhaps best of all is Enbridge's quarterly dividend, which carries an insane yield of 6.36%. That initial \$20,000 investment would bump a passive income by \$1,270 in the first year.

I want my passive-income stream: Now what?

This is where the famed “buy-and-forget” theme comes into play. The stocks you just bought will continue to grow and generate that passive income you ultimately want. Remember that reinvested dividends will continue to provide further growth over time.

By way of example, a \$20,000 investment in each of the stocks noted above will earn over \$4,000 in the first year.

Also, keep in mind that the stocks noted above have established a precedent of providing annual upticks to those dividends. In some cases, there’s a tradition of those increases going back several decades.

Buy them, hold them, forget about them, and [let them grow](#).

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:CU (Canadian Utilities Limited)
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