
3 Dividend Stocks for a Lifetime of Passive Income

### Description

Generating regular passive income through dividend stocks is easy and cheap. Moreover, a few high-quality Canadian companies can be relied upon for a lifetime of passive income. These corporations have highly diversified businesses and the ability to consistently grow their earnings, implying that these companies could continue to boost shareholders' returns through consistent dividend payments.



With reliable dividend income in the backdrop, let's look at a few stocks that are worth investing in for the long term.

## Bank of Montreal

Let's start with **Bank of Montreal** (TSX:BMO)(NYSE:BMO) stock, which has paid a dividend for 193 years — the highest among the Canadian corporations. While this bank has a stellar dividend payment history, it consistently increased the same at a healthy pace over the past several years.

For instance, its dividend has increased at a CAGR of 4.3% in the last 15 years. Moreover, it recently announced a 25% hike in its dividend, which is encouraging. Moreover, its stock is currently yielding about 3.6%.

Bank of Montreal's dividend is supported through its growing earnings base. The bank's diversified business, strong credit quality, and improved efficiency have driven its earnings and dividend payments. Looking ahead, higher interest rates and loans and deposits volume growth will likely drive its top line. Meanwhile, operating leverage would cushion its margins.

Overall, its diversified revenue base, cost-control measures, and solid balance sheet position it well to enhance its shareholders' returns through dividend payments.

## Fortis

**Fortis** (TSX:FTS)(NYSE:FTS) is another go-to stock for a reliable passive-income stream for the long term. Its solid asset base and regulated business generate robust cash flows that support its dividend payments.

For context, Fortis's multiple regulated businesses generate predictable cash flows that helped the company to raise its dividends for 48 consecutive years. Also, its growing rate base provides strong visibility over future earnings, implying that Fortis could continue to uninterruptedly increase its dividend in the coming years.

Notably, the company expects its rate base to grow at a CAGR of 6% through 2026, which would expand its high-quality earnings base. Thanks to its rate base growth and ongoing momentum in the existing assets, Fortis sees a 6% annual growth in its future dividend.

Overall, low-risk business and high-quality assets make Fortis a solid investment for the long term. Meanwhile, the expansion of renewables capacity and opportunistic acquisitions bode well for growth. It currently yields over 3.5%, which is well protected.

## Enbridge

I'll wrap up with **Enbridge** (TSX:ENB)(NYSE:ENB) stock, which has grown its dividend for 27 years. Further, its dividend has a CAGR of 10% during the same period, which is encouraging. While Enbridge has raised its dividend for a very long period, it currently offers a lucrative yield of 6%.



Notably, the recovery in its mainline volumes and strong energy demand positions it well to boost its shareholders' returns. Further, its diversified cash flow streams, strength in the base business, and strong capital program indicate that Enbridge's distributable cash flows could continue to expand and support dividend payouts.

Overall, its resilient cash flows and ability to grow dividend make Enbridge an attractive investment to generate a reliable passive income.

**CATEGORY**

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)

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