



## 2 Top Stocks to Buy Now for Passive Income

### Description

Retirees and other investors are trying to find ways to protect their savings against rising inflation. One [strategy](#) to mitigate the impact involves owning top high-yield dividend stocks inside a [TFSA](#). The distributions are tax free and won't put Old Age Security (OAS) pension payments at risk of the 15% OAS clawback.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has raised its dividend in each of the past 27 years, and the board increased the quarterly payout by 3% to \$0.86 per share for 2022. The hike isn't as large as long-term investors are accustomed to seeing, but Enbridge is also using excess cash to buy back shares. In fact, the new share-repurchase program has \$1.5 billion set aside to buy back outstanding stock.

Management is targeting 5-7% growth in distributable cash flow through 2024. EBITDA is expected to increase by roughly 9% in 2022 compared to last year. Looking ahead, Enbridge is planning to spend as much as \$6 billion per year over the medium term on capital projects. That should support steady cash flow and dividend growth beyond 2024.

The rebound in the energy industry bodes well for Enbridge's oil and natural gas pipeline operations. Enbridge also invested in a new oil export terminal last year and is positioned well to provide carbon sequestration and storage services to energy firms and other businesses with high emissions.

Investors who buy the stock today can pick up a 6% dividend yield. That's above the 5.7% inflation rate reported by Statistics Canada for February.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) recently raised its dividend by 5.1%. The communications giant has the size and balance sheet strength to invest the billions of dollars needed to make sure customers have access to the broadband capacity they need for business or entertainment across a variety of platforms.

BCE continues to run fibre optic lines right to the premises of its customers. This helps protect its large competitive moat. BCE also spent \$2 billion last year on new spectrum that will be the foundation for the expansion of its [5G](#) network. These capital initiatives will help drive new revenue opportunities in the coming years.

BCE spent the past decade building a powerful media business. The pandemic hit this division, as advertisers cut spending, and sports teams found themselves playing in front of empty seats. The rebound in the economy and the return of full arenas will boost revenue for the media business in 2022.

At the same time, lucrative mobile roaming fees should increase this year, as people travel more for vacation and business.

BCE is a good stock to own if you want to get reliable and growing payouts without having to worry about volatility in global financial markets. The company is focused on the Canadian market and provides essential services that are required in all economic conditions.

The stock has pulled back from the 2022 high, giving investors a chance to buy BCE on a dip. At the current share price near \$68, new investors can pick up a solid 5.4% dividend yield.

## The bottom line on top stocks for high-yield passive income

Enbridge and BCE are leaders in their respective industries. The companies enjoy strong competitive advantages and generate adequate cash flow to support their generous payouts. If you have some cash to put to work in a TFSA focused on passive income, these stocks deserve to be on your radar today.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

### PARTNER-FEEDS

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