



## 3 Stocks to Build an Income Stream

### Description

Establishing a recurring and stable revenue stream remains a goal of every investor. Fortunately, the market gives us plenty of options to choose from, including some stellar investments. So, which stocks should investors looking to build an income stream opt for?

Here are several great investments to consider.

### Stock #1: Banking on income and growth

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is one of Canada's big banks and a great stock to help any investor build an income stream. As an income stock, BMO offers a quarterly dividend with a juicy 3.63% yield.

This means that a \$30,000 investment will earn an income just over \$1,060 in the first year. Adding to that appeal is BMO's long-standing tradition of providing annual bumps without fail that goes back decades. The one exception to that was during the pandemic when the banks were forced to suspend dividend payments.

In fact, BMO has been paying out dividends for well over a century, making it a stable income stock to help build an income stream.

Turning to growth, BMO continues to [invest in expanding](#) its international footprint. That international expansion is centred on the U.S. market, where BMO recently moved to acquire the Bank of the West late last year.

### Stock #2: Renewable energy is huge

Renewable energy stocks remain one of the fastest-growing areas for long-term investors to consider. They also represent great options for investors to build an income stream.

**TransAlta Renewables** ([TSX:RNW](#)) is a great renewable energy option to consider. TransAlta offers a portfolio of renewable energy facilities scattered across the U.S., Canada, and Australia.

Like traditional utilities, renewable energy stocks adhere to the same stable business model that relies on regulated long-term contracts. Those contracts provide a recurring and stable revenue stream, which ultimately provides a handsome income stream.

Speaking of income, TransAlta offers investors a monthly payout that currently works out to an impressive 5.09% yield. That same \$30,000 investment in TransAlta will provide an income of \$1,527 in the first year.

## Stock #3: Telecoms are great income stocks, too

Canada's telecoms also make great investments for those investors looking to build an income stream. This is where the appeal of **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) comes into play. BCE is one of the largest telecoms in Canada, boasting an enviable nationwide network.

Telecoms are incredibly defensive investments, and that appeal has only grown in the past few years. The pandemic has forced many of us to hasten the push towards increased mobile commerce. Despite the fact that the pandemic finally appears to be ending, that shift isn't changing back anytime soon. If anything, it will only hasten.

The same could be said for BCE's internet segment. Like the wireless segment, BCE's internet business has benefited from the pandemic. Specifically, more former office workers are now permanently working from home. This adds another defensive element to BCE that is hard to counter.

Finally, let's talk dividends. BCE has been paying out dividends for well over a century. Additionally, the company has provided annual upticks to that dividend going back decades. Today, that dividend works out to a tasty 4.99% yield, making it one of the [better-paying and stable stocks on the market](#).

## Final thoughts: Build an income stream

No investment is without risk, but the three stocks noted above all benefit from being leaders within their respective segments. They also offer significant growth potential in addition to boasting defensive moats.

Throw in their impressive yields and you have a trio of stocks that would do well as part of any well-diversified portfolio and are perfect to build an income stream.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)

2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:RNW (TransAlta Renewables)

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