



Stocks for Beginners: 3 Solid TSX Stocks for Passive Income

Description

When the **TSX** stock market is so volatile, it can be frightening to start investing. The stock market is a liquid market, which means people can buy and sell whenever they like. As a result, the stock market can rapidly swing up and down in the short term.

Fortunately, over the longer term (five or more years), stocks in high-quality businesses tend to perform very well. A long-term investing mindset tends to iron out the short-term volatility of the market.

If you think long term, risk diminishes

Consequently, new investors that are willing to keep their money invested for five, 10, or 20 years often have a major advantage. It is the short-term trading that tends to lose money. It is long-term compounding that can build [life-changing wealth](#).

If you are new to investing and are a bit risk averse, you may want to consider buying quality dividend stocks. If you buy a good quality dividend stock, you can collect a nice stream of passive income, regardless of how the stock market is doing. It is a great way to earn a consistent solid return.

Here are three relatively low-risk dividend stocks that provide a nice mix of passive income and capital upside.

Brookfield Infrastructure Partners: A passive-income growth stock

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) has a diverse, high-quality portfolio of essential infrastructure assets. It owns everything from ports to railroads to pipelines. The great benefit to these assets is that they are economically vital and generally capture predictable streams of cash flow.

The company has a great balance sheet, so it can invest in internal growth opportunities that produce

attractive low-risk returns. Likewise, a potential downturn in the economy means it could have opportunities to buy more assets at cheap valuations.

This stock pays a \$0.675 per unit distribution every quarter. That equals a 3.4% distribution yield right now. It has a great history of annually growing its distribution by around 10%, so investors get a great inflation hedge from their passive-income returns.

Enbridge: An elevated dividend yield

If you are looking for a more outsized dividend yield, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) might be an interesting passive-income stock for new investors. It pays an \$0.86 per share dividend every quarter. That equals a substantial 6.15% dividend yield right now.

It is one of North America's largest energy infrastructure companies. It has a large pipeline network that stretches across Canada and the United States. However, it has also branched into energy export, natural gas distribution, and renewable power.

With energy prices soaring, Enbridge stands to see higher oil and gas volumes flow through its infrastructure. That should be favourable for reasonable cash flow and dividend growth over the coming years. Yet, its [focus on renewables](#) should sustain returns for decades ahead.

BCE: A safe defensive stock for passive income

BCE ([TSX:BCE](#))([NYSE:BCE](#)) may not be the most exciting business, but it has delivered solid streams of passive income for years. It is Canada's largest telecommunications business.

Obviously, its size and scale give it some competitive advantages. The company is investing heavily in its 5G network and that should start to pay off in customer growth and elevated excess cash returns.

Today, BCE pays a \$0.92 per share dividend every quarter. After a recent pullback, this passive-income stock pays an attractive 5.31% dividend yield today. While BCE isn't a fast-growing stock, it has increased its dividend at a consistent 5% annual rate. All around this is a safe, defensive stock to own for [reliable passive income](#) for years to come.

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