



## 3 Top TSX Dividend Stocks to Buy for Passive Income

### Description

Investors seeking passive income should consider top TSX stocks that have good track records of [dividend](#) growth supported by rising revenue and earnings.

### TD Bank

TD ([TSX:TD](#))([NYSE:TD](#)) increased its dividend by 13% for fiscal 2022.

Aside from the pause that occurred due to the government's pandemic ban on bank dividend hikes, TD has delivered steady annual dividend growth of better than 10% for more than two decades.

TD made it through the past two years in better shape than analysts expected at the beginning of the pandemic. Government aid programs enabled businesses and homeowners to make loan payments and the plunge in interest rates triggered a massive wave of home buying. In the end, TD finished fiscal 2021 with more than \$14 billion in profits and substantial excess cash. The bank is using some of the funds to buy back stock and recently announced a US\$13.4 billion acquisition in the United States to drive future growth.

The stock price is off the 2022 high, giving investors an opportunity to buy TD stock on a decent pullback. At the time of writing, TD trades near \$91 per share compared to \$109 earlier this year. Dividend growth is expected to continue at a generous pace and investors who buy now can pick up a 3.9% dividend yield.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a good defensive stock to consider in the current era of high inflation. The communications giant has a wide competitive moat and can raise prices to offset increases in its expenses. BCE is investing billions of dollars in fibre optic lines that run right to the building of its customers. It is also expanding its [5G](#) network. These initiatives help protect the competitive advantage BCE has in the market and should open up new revenue opportunities.

The board raised the dividend by at least 5% annually for the past 14 years. At the time of writing, the stock provides a 5.2% dividend yield.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a utility company with operations that include \$58 billion in power generation, electric transmission, and natural gas distribution assets. With 99% of revenue coming from regulated businesses, the cash flow stream tends to be very predictable and reliable in all economic environments. That's good news for income investors.

Fortis raised the dividend in each of the past 48 years and expects to increase the payout by an average of 6% per year through at least 2025, supported by cash flow growth coming from the \$20 billion capital program.

Fortis has identified other projects that could get added to the capital plan. This would potentially increase the size of the dividend increases and extend the guidance for distribution growth.

Fortis currently provides a 3.4% dividend yield.

## The bottom line on top stocks for passive income

TD, BCE, and Fortis are top TSX dividend stocks that should continue to raise payouts in the coming years. If you have some cash to put to work in a portfolio focused on passive income, these stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
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5. TSX:FTS (Fortis Inc.)
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aswalker

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