



Make a Lifetime of Passive Income With 2 Blue-Chip Stocks

Description

Inflation, whether moderate or high, is a perennial threat to money, because it weakens its value as time passes. In the current environment, your money will buy less and less, as prices of goods keep rising. One [solution to beat inflation](#) is to invest. Younger folks, especially, can grow and preserve the value of their savings by purchasing stocks instead of keeping cash idle.

Stock investing isn't for rich people only. If you're a [beginner](#), the proven way to avoid a rookie mistake is to focus exclusively on blue-chip stocks. You can start small and accumulate more shares whenever finances allow. The money will compound over time. More importantly, you create a lifetime of passive income.

Top two picks for beginners

Investors in the **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) won't worry about the noise or negative sentiments in the market. The two companies are well established and known for their financial stability. Their excellent dividend track records should also give you the confidence to invest.

BMO is the Canada's oldest bank, while BCE is the country's most dominant company in the telco space. While the share prices will rise and fall depending on market conditions, the dividend payouts are rock steady. Hence, holding the pair in your stock portfolio would be [less stressful and volatile](#) compared to other equities.

Meaningful scale in the U.S.

BMO was the first company on the TSX to introduce dividends. The practice of sharing a portion of profits with shareholders through dividends started in 1829. By 2029, seven years from now, the record will be two centuries. With its \$67.96 billion market capitalization, BMO is one of the banking industry's Big Five (fourth largest).

Despite the present-day uncertainties, exciting times are ahead for this big bank stock. BMO's footprint in the U.S. will expand very soon because of an upcoming mega-merger. Its subsidiary, BMO Harris Bank, signed a definitive agreement in late December 2021 to acquire the Bank of the West for US\$16.3 billion.

The acquisition target should add meaningful scale to BMO and deepen its presence in several states across the border. Once the transaction closes in 2023 or earlier, BMO gains access to three of the top five U.S. markets. You won't mind buying the stock (\$101.13 per share) in exchange for pension-like income.

Healthy cash flows

BCE operates in a near-monopoly, and, therefore, expect the \$62.19 billion telecommunications and media company to generate healthy cash flows for years. In Q1 2022, the consolidated financial results surpassed pre-pandemic levels. Operating revenues increased 2.5% to \$5.85 billion versus Q1 2021, while net earnings ballooned 36% year over year to \$934 million.

Because of the healthy recurring cash flow and substantial liquidity, management is confident that BCE could meet its financial guidance targets for 2022. At \$68.21 per share, newbie investors will delight at the hefty 5.34% dividend. Given the dividend-growth streak of 13 consecutive years, expect a growing passive income from this 5G stock.

Income for life

Investing in the stock market is like buying a ticket to the roller coaster. However, blue-chip stocks like BMO and BCE will not disappoint beginners in their quest to earn passive income for life.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Date

2025/07/03

Date Created

2022/05/13

Author

cliew

default watermark

default watermark