3 ETF Stocks to Buy for Passive Income in 2022

Description

It's never a bad time for Motley Fool investors to start thinking about creating passive-income streams. If you're nearing retirement, it can set you up with stable cash flow. But even if you're a millennial, you can use it for cash to reinvest in your portfolio. And exchange-traded funds (ETFs) are some of the best places to look.

ETF stocks can create passive income by focusing on investments that pay dividends. It's like having an entire dividend portfolio at your fingertips, but with all the heavy lifting done by expert managers. That can be especially beneficial during a bear market, as you want to get the best for your money. And these three ETF stocks are the best out there for this volatile year.

ZGI

BMO Global Infrastructure Index ETF (TSX:ZGI) is a solid choice for those seeking safe passive income. The global aspect means you get a diversified portfolio, so that when the markets rebound you have exposure to it all. Furthermore, infrastructure remains needed no matter what the market does. We need sewers, we need internet, roads, and telephone lines. And that means infrastructure will remain in business.

ZGI shares have done quite well even in this market downturn, up 2% year to date. That's not much, but it's not a loss. Further, you can lock in a 3.34% dividend yield at the time of writing. Plus, that dividend has almost doubled in the last decade! Meaning you can look forward to more share and passive-income growth in the years to come — even during a downturn on the **TSX** today.

CDZ

Now, if you want dividends, then you want to look at Dividend Aristocrats. These are companies that have paid out and increased their dividends for the last 25 years or more. But instead of buying them all individually, you can buy **iShares S&P/TSX Canadian Dividend Aristocrats Index ETF** (TSX:CDZ), which does it for you.

CDZ offers passive income of 3.07%, and trades down about 5% year to date at the time of writing. What's great is you get exposure to a mass of industries, some doing well and others not so much. So, this creates a balanced opportunity for you to make some serious growth in the next year or more when the selloff rebounds. And again, that dividend has almost doubled in the last 10 years!

ZWC

For some seriously high passive income, consider **BMO CA High Dividend Covered Call ETF** (TSX:ZWC). This ETF offers a dividend yield of 7.2% on the TSX today for Motley Fool investors. Not only does it choose high-yield dividend producers, but it aims to create more returns through covered calls.

And this has been the case. While shares are down just 3.88% year to date, shares have climbed about 20% in the last two years alone. Though I must admit, as the dividend is already quite high, there has been little movement over the last few years. But at 7.2%, I feel like we can forgive that.

ZWC focuses on strong industries like financial services, telecommunications, energy, and utilities. These are all solid performers that you can look forward to having for years to come.

CATEGORY

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TICKERS GLOBAL

1. TSX:CDZ (iShares S&P/TSX Canadian Dividend Aristocrats Index ETF)
2. TSX:ZGI (BMO Global Infrastructure Index ETF)
3. TSX:ZWC (Bmo Canadian High Dividend Covered Call ETF)

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alegatewolfe