



New Investors: The 2 Best Options to Earn a Regular Passive Income

Description

By [investing in dividend stocks](#), you can generate a steady source of passive income. However, not all dividend stocks are made equally. There are certain characteristics that investors should keep an eye on when looking for dividend stocks.

For example, investors should ensure that the companies they hold have a formidable moat in their respective industries. This will help ensure that the company remains competitive in the coming years. In addition, it would be a good idea to hold stocks with a long history of paying dividends.

In this article, I'll discuss two of the best options that investors could go for when looking to earn a regular passive income.

Buy this bank today

If I could only invest in one Canadian industry, it would be the banking industry. This is because the Canadian banking industry is highly regulated. That gives the companies operating in the industry a bit of a safety net, as the companies operating in that area are required to follow a strict set of regulations. This also makes it difficult for new banks to emerge, giving the leading companies an opportunity to expand their already formidable moats.

Of the Big Five Canadian banks, my top pick is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). What interests me about this company is its focus on its international presence. Bank of Nova Scotia recognizes that much of its future growth could come from markets outside Canada. As such, it has made a conscious effort to develop its international business segment.

Well positioned in the Pacific Alliance, Bank of Nova Scotia is starting to see its bets pay off. During its latest earnings presentation, the company reported that its international business segment saw a 50% year-over-year increase in net income.

In terms of its dividend, Bank of Nova Scotia has been paying shareholders a portion of its earnings since 1833. That represents 189 years of continued dividend payments. Today, the company's forward

dividend yield is 5.69%. That suggests that investors could get a lot of value for each dollar invested in Bank of Nova Scotia stock.

This stock is one of the best Canadian dividend stocks

When discussing Canadian dividend stocks, it's nearly impossible to omit **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). This company provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. As a utility company, Fortis receives revenue on a recurring basis. This gives the company quite a bit of stability, even during the toughest of economic periods.

It's perhaps due to that recurring revenue that Fortis has managed to establish itself as a premier Canadian dividend stock. The company has managed to increase its dividend in each of the [past 47 years](#). That gives Fortis the second-longest active dividend-growth streak in the country. The ability to continually raise dividends is a characteristic that investors should look out for, because it helps ensure that your source of passive income doesn't lose buying power over time.

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