



Need Cash? Create a Passive-Income Stream Today With These 2 Top Dividend Stocks

Description

It's completely understandable to be concerned with the growing uncertainty in the short-term future of the stock market. Whether it's inflation, interest rates, or geopolitical concerns, there's no shortage of catalysts causing [volatility](#) in economies across the globe today.

It's hard enough to predict short-term movements in the stock market in the easiest of years. Investors are now trying to navigate through an extremely unstable period.

There are no easy decisions to be made right now, leaving many questioning what to do with the cash that they'd typically be investing in the stock market.

To make things even worse, I'd argue that the end of this volatility is not yet in sight. There's no doubt in my mind that we'll eventually see the market return to all-time highs. However, I wouldn't count on that happening in the next couple of months.

I'm currently in the process of bracing my portfolio for more turbulent months ahead.

Bracing for more volatility in the stock market

One way to help offset some of the market's volatility is through a stream of passive income. An additional source of cash can help soften the blow from market selloffs, which we've become all too familiar with this year.

Dividend stocks are an excellent choice when it comes to earning passive income. While companies reserve the right to cut their dividends at any point in time, there's no shortage of dividend stocks on the **TSX** with dependable track records to choose from.

With potentially more volatility ahead in the coming months, I've got two dependable dividend-paying companies at the top of my watch list right now. Here's why passive-income investors would be wise to give both picks serious consideration.

Dividend stock #1: Bank of Nova Scotia

Passive-income investors cannot go wrong with investing in any of the Big Five. The major Canadian banks own some of the longest payout streaks on the TSX and are all currently yielding upwards of 4% at today's prices.

In addition to yielding the highest among the Big Five, **Bank of Nova Scotia's** ([TSX:BNS](#))([NYSE:BNS](#)) dividend yield of 5.75% is one of the highest Canadians will find on the TSX right now.

Shares of the bank stock have been on the decline for most of the year, which has resulted in an increased yield. The stock has dropped close to 25% in 2022 compared to the Canadian market's loss of less than 15%.

It's certainly possible that Bank of Nova Scotia continues to see its stock price slide through the remaining months of the year. However, I'd be confident that the bank continues to pay out dividends to its shareholders.

Bank of Nova Scotia has been paying out a dividend for close to 200 consecutive years. That's a streak that very few companies can come close to matching.

Dividend stock #2: Algonquin Power

Passive-income investors looking for less volatility in the stock price may be more interested in **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)).

Utility companies are among the most [dependable companies](#) to invest in due to the typically low levels of price movement.

Shares of Algonquin Power are sitting at a loss of about 5% on the year. Once you factor the company's impressive 5.3% dividend yield, the dividend stock is basically flat since the beginning of 2022.

The utility stock cannot match the payout streak of Bank of Nova Scotia. It can, however, provide a portfolio with much-needed stability in today's harsh investing climate.

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