



Need Cash? 2 Top TSX Dividend Stocks for Dependable Passive Income

Description

It's understandable to feel pessimistic with the Canadian stock market down 10% on the year. You also can't ignore that there's a potential recession looming around the corner. However, there are reasons for optimism if you're a long-term investor. In fact, there's plenty of opportunity on the **TSX** today, as long as you're willing to be patient.

There's no shortage of high-quality Canadian stocks trading at massive discounts today. I've already taken advantage of the discounted prices this year and will certainly continue to do so for the remainder of 2022.

One difference that I'm planning to make in my investing strategy over the second half of the year is through passive-income investing. My investment portfolio has tended to always skew towards growth stocks. But with the market's [volatility](#) not looking like it will be slowing down anytime soon, I'm looking to add a couple of dependable dividend-paying companies to my portfolio.

Building a dependable stream of passive income

One of the easiest ways for Canadians to build a passive-income stream is through investing in dividend stocks. And fortunately, the TSX is full of dependable Dividend Aristocrats to choose from.

In addition to passive income, dividend-paying companies can offer additional benefits, such as defensiveness or market-beating growth.

With all the uncertainty surrounding the economy today, I'm looking to bolster my portfolio with defensive companies that can weather a recession. That's why I've got these two TSX dividend stocks at the top of my watch list right now.

Two Dividend Aristocrats that I'm ready to buy

Sun Life ([TSX:SLF](#))([NYSE:SLF](#)) and **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) share two important

qualities. First, they're both Dividend Aristocrats, which means they've increased their dividends for five consecutive years. Second, there's no sugarcoating it: these are two very boring businesses. And as far as I'm concerned, there's absolutely nothing wrong with that.

In terms of being boring, that doesn't bother me one bit. In fact, I'm embracing boring now due to the volatility in the market. During [bear \(or down\) markets](#), it's often the boring but essential businesses that seem to weather the storm best.

Sun Life and Algonquin Power are two businesses that would make life hard to live without. One supplies all kinds of insurance and wealth management solutions, while the other is a utility provider.

When it comes to passive-income investing, dependability should be top of mind. A high yield is ultimately what determines how much income the investor will earn, but it's important to remember that no dividend is ever guaranteed. A business has the control to cut its dividend at any point in time, if it feels that the capital could be better allocated.

At today's stock price, Sun Life's annual dividend of \$2.76 per share yields 4.8%. Algonquin Power's annual dividend of \$0.95 yields just shy of 5.5%.

Foolish bottom line

There's never a bad time to think about building an additional stream of income. As an investor with decades of investing years in front of me, growth stocks are typically at the top of my watch list. But with more volatility likely on the horizon, and the TSX currently filled with high-yielding dividend stocks, my portfolio's next buys may include a Dividend Aristocrat or two.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:SLF (Sun Life Financial Inc.)

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