



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

Description

If you're a new investor, I believe you should focus on [dividend stocks](#). The main reason for this is that dividend stocks tend to be less volatile than growth stocks. This will help you become accustomed to the daily fluctuations you'll experience in your portfolio. In addition, dividend stocks are easier to assess because they tend to be more established companies. This makes it easier for new investors to learn how to decide whether a company fits their portfolio.

However, the most appealing aspect of dividend stocks is the fact that investors are able to receive a consistent payment for holding shares. Over time, investors can build these positions and receive quite substantial dividend payments in the process. Some of the best dividend stocks offer investors a recurring quarterly payment, providing a stable source of passive income. In this article, I'll discuss two of the best options to earn regular passive income.

A leader among Canadian Dividend Aristocrats

When looking for dividend stocks to hold in your portfolio, investors should consult the list of Canadian Dividend Aristocrats. These are companies that have been able to raise dividend distributions for at least five consecutive years. This is an important aspect to consider because dividends that become stagnant will end up losing buying power over time. With that in mind, I think **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is an excellent company for a new investor to consider buying today.

Fortis provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. Because utility companies tend to receive monthly payments from customers, their revenue tends to be very stable and predictable. This allows them to plan around dividend distributions ahead of time. At [47 years](#), Fortis holds the second-longest active dividend-growth streak in Canada. With a forward dividend yield of 3.56%, this is certainly one of the more attractive dividend stocks available.

This company has been paying shareholders for nearly two centuries

New investors should also consider investing in the Canadian banking industry. This is because the companies that operate in that industry hold such an important role in the nation's economy. Four of the eight largest Canadian companies (by market cap) are banks. In addition, banks have very easy businesses to understand, which should make them even more appealing to new investors.

Of the Canadian banks, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has always stood out for me. It's the third-largest Canadian bank in terms of assets, revenue, and market cap. Bank of Nova Scotia is also very notable due to its long history of paying dividends. This company has distributed a portion of its earnings to shareholders in each of the past 189 years. That means that investors have been receiving reliable dividends since before the Canadian confederation. Bank of Nova Scotia also offers a very attractive dividend yield of 5.26%.

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3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)

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