



## 2 TSX Stocks to Buy With Dividends Yielding More Than 3%

### Description

If you're hoping to build a source of passive income, then consider buying [dividend stocks](#). Unlike other sources of passive income, dividend stocks have a much lower barrier of entry. This makes it possible for anyone to start building passive income. It's important that investors look for stocks that have a dividend yield of 3% or more, because it allows you to get more bang for your buck. For example, if an investor were to hold a \$1,000,000 position in a stock that yields 3%, they would receive \$30,000 in dividends annually.

However, there are also other characteristics that investors should consider when buying dividend stocks. Simply looking for stocks that yield the highest dividends can lead to negative results if other aspects of those companies' businesses are neglected. In this article, I'll discuss two **TSX** stocks to buy today with dividends yielding more than 3%!

### One of the best dividend stocks in Canada

I think that investors should consider buying shares of utility companies. This is because they tend to receive payments on a recurring basis, providing utility companies with a stable and predictable source of revenue. Because of that, utility companies are able to raise dividends over time and also tend to be among the best companies at rewarding shareholders with dividend increases. This may explain why **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) has been able to emerge as one of the best dividend stocks in Canada.

Listed as a Canadian Dividend Aristocrat, Fortis holds the second-longest active [dividend-growth streak](#) in the country (47 years). To put that into perspective, Fortis has been able to raise its dividend, even through the Great Recession and the COVID-19 pandemic. Those two events have caused many dividend stocks to halt raises and, for some, even suspend dividends altogether.

Fortis is also an attractive stock in terms of its forward dividend yield (3.55%). A \$1,000,000 investment in this company would provide you with an annual dividend of \$35,500.

## Buy the Big Five banks

The Canadian banking industry features many outstanding dividend stocks. Within that industry, five banks stand as clear leaders. Those five banks have been in operation for over a century, allowing them to establish very formidable moats. Because of the highly regulated nature of the Canadian banking industry, it'll be very hard for a smaller company to displace any of the Big Five banks from their leadership positions. That makes them very appealing companies to invest in.

In addition, the Big Five banks all tend to have very attractive dividends. For example, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is famed for its long history of paying shareholders. It first distributed a dividend on July 1, 1833. Since then, it has never missed a dividend payment. That represents 189 years of continued dividends! It should also be noted that Bank of Nova Scotia offers investors a forward dividend yield of 5.19%. This means that a \$1,000,000 investment would equal \$51,900 in annual dividends.

### CATEGORY

1. Dividend Stocks
2. Investing

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

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