



3 Canadian Dividend Aristocrats to Buy for Passive Income Forever

Description

Generating passive income isn't as easy as picking the dividend stock with the highest yield. Even the best stocks stumble eventually, and a dividend cut or lack of dividend growth could ruin your long-term passive-income strategy.

What investors need is a stock that can expand dividends every year for several decades. Such stocks are known as Dividend Aristocrats, and they can be the cornerstone of your passive income plan.

Here are the top three Canadian Dividend Aristocrats that could potentially deliver cash flows forever.

Dividend Aristocrat #1

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is an impenetrable source of passive income. That's because utility companies are a natural monopoly. Fortis supplies gas and electricity to over 3.4 million households across the U.S., Canada, and parts of the Caribbean. The company has expanded its portfolio of regulated energy assets from \$390 million in 1987 to \$60 billion today.

It's still steadily expanding. Fortis management expects to raise dividends at a steady annual pace of 6% until 2025. That would mark 52 years of consecutive dividend growth. Put simply, Fortis is a bonafide Dividend Aristocrat.

The stock is still relatively cheap. It's trading at 23 times earnings and offers a 3.5% dividend yield. Income-seeking investors should add this to their list.

Dividend Aristocrat #2

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is another reliable Dividend Aristocrat. In fact, its track record of dividend growth is longer than Fortis's. BCE has boosted its dividend every year since 1949. That's 73 years of consistent cash flow growth.

The stock has more room to grow. It's Canada's largest telecommunications firm, which means subscriber growth is correlated with the country's population growth. Meanwhile, investments in 5G have just been completed and the company completed a \$14 billion investment in expanding its fibre optic network over the past two years.

These capital investments keep the company ahead of the competition and cement its lead. They also guarantee that income-seeking investors can rely on the stock for decades.

BCE currently offers a 5.6% dividend yield and trades at just 20 times earnings per share. If you're trying to generate passive income forever, add it to your watch list.

Dividend Aristocrat #3

The best passive-income stocks are anchored by hard assets. Fortis has utility infrastructure while BCE has fibre optic cables and cellphone towers. Similarly, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a Dividend Aristocrat backed by hard assets. The company owns and operates the largest network of gas and oil transportation infrastructure in North America.

In fact, 25% of all the crude oil used in North America is transported through a pipe owned by Enbridge. This year, the volume of oil and gas is expected to expand. North America is transporting more energy to Europe to cover the gap left by Russia. This transition could take years and pretty much guarantees steady cash flow growth for Enbridge.

Enbridge will deliver its 28th year of dividend growth in 2022. Dividends have expanded at an annual pace of 10% since 1995. If the company can sustain this pace, investors can expect their annual dividends to double by 2029.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred

6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. vraisinghani

Category

1. Dividend Stocks
2. Investing

Date

2025/08/28

Date Created

2022/08/17

Author

vraisinghani

default watermark

default watermark