



## 2 Dividend Stocks for Easy Passive Income of \$12.43/Day

### Description

Creating a truly passive-income stream is possible by investing in the stock market. It is important to understand that investing in any high-yielding [dividend stock](#) and adding it to your portfolio is not enough. Shareholder dividends are a privilege, not a right.

Companies boasting strong cash flows and solid fundamentals tend to pay shareholder dividends by distributing a portion of profits to investors. Several dividend stocks trade on the **TSX**, but not all warrant a place in a long-term, passive-income portfolio. Even the best dividend stocks can hit stumbling blocks, forcing them to slash or suspend dividend payouts.

Creating a passive-income stream that can help you earn a significant amount requires choosing high-quality dividend stocks with a track record for delivering dividend hikes. Canadian Dividend Aristocrats are publicly traded companies known to increase their payouts for several consecutive years.

Investing in shares of dividend-paying stocks like these can help you secure more reliable income-generating assets likelier to continue paying you for the long run.

Today, I will discuss two top Canadian Dividend Aristocrats you can consider adding to your self-directed portfolio for this purpose.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a \$29.02 billion market capitalization Canadian utility holdings company. Fortis owns and operates several electric and natural gas utility businesses throughout Canada, the U.S., the Caribbean, and Central America.

It generates almost all of its revenue through rate-regulated and long-term contracted assets. It means the company has plenty of stable cash flows to fund its growing shareholder dividends and capital programs.

As of this writing, Fortis stock trades for \$60.32 per share and boasts a 3.55% dividend yield. Fortis

has increased its shareholder dividends for the last 48 years, thanks to its predictable and stable cash flows. The company's ongoing capital-investment plan will allow it to increase its rate base for the next few years.

Fortis stock looks well positioned to continue increasing its shareholder dividends by 6% annually until 2025, at which point, it will become a Canadian Dividend King with a 50-year dividend-growth streak. It could be an excellent addition to your portfolio.

## BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a \$60.53 billion market capitalization giant in the Canadian telecom sector. The company is the largest among the Canadian telecom companies. Its leading position in a largely consolidated industry, and the essential nature of the services it provides make it a reliable dividend stock.

As of this writing, BCE stock trades for \$66.04 per share and boasts a juicy 5.57% dividend yield. BCE stock has been paying its growing shareholder dividends since 2005 but has a history of paying dividends since 1949. It is a strong business that is at the top of its industry.

BCE's investments in expanding its 5G network and a \$14 billion investment plan to expand its fibre optic network position it well to deliver further dividend hikes for years to come.

It could be another excellent addition to your income-generating portfolio of Canadian Dividend Aristocrats.

## Foolish takeaway

If you are interested in creating a passive-income portfolio through dividend stocks, Canadian Dividend Aristocrats could provide you with the cornerstone for such a portfolio. Dividend stocks with extensive track records for dividend hikes are less likely to suspend, slash, or stop dividend payouts. Instead, you can rely on these stable businesses to continue increasing shareholder dividends for years to come.

Investing a hypothetical \$50,000 in Fortis stock can provide you with \$1,755 per year through shareholder dividends.

A similar investment in BCE stock can provide you with \$2,785 per year. You can generate \$12.43 in passive income through shareholder dividends each day. However, you should never allocate such a significant amount of money to just two dividend stocks. This is just an example to show you what is possible.

Fortis stock and BCE stock are the top players in their respective industries. Investing in their shares and adding them to your portfolio could allow you to generate stable and growing dividend income for decades.

## CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:BCE (BCE Inc.)
4. TSX:FTS (Fortis Inc.)

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