



## 3 Canadian Dividend Stocks to Buy Hand Over Fist

### Description

Many investors use [dividend stocks](#) as a way to build a source of passive income. Over time, that source of passive income could grow large enough to greatly supplement or even replace your primary source of income. However, investors should be prudent about which stocks they [decide to hold](#) in a dividend portfolio. Some stocks that offer very high dividend yields aren't sustainable.

For example, during the COVID-19 pandemic, some dividend stocks had yields of 50% or greater. That was, before those dividend programs were suspended indefinitely. In this article, I'll discuss three Canadian dividend stocks that investors should buy hand over fist.

### This is a top dividend stock

When looking for dividend stocks to hold in a portfolio, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) should be the first company that comes to mind. Like other utility companies, Fortis receives payments on a monthly basis. This provides the company with a very predictable and steady source of revenue. From that, Fortis has an easy time of planning for future dividends.

Listed as a Canadian Dividend Aristocrat, it holds the second-longest active dividend-growth streak at 48 years. Fortis has also stated, in its most recent earnings presentation, that it plans to continue growing that dividend through to at least 2025. Fortis is a massive company, providing gas and electric utilities to more than three million customers around North America. If you choose to invest in Fortis, it could provide your portfolio with a steady source of passive income.

### The banks should be a staple in your portfolio

The Canadian banks are also known for being strong dividend stocks. Many of the top Canadian banks have been paying dividends, at high dividend yields, for over a century. What makes these banks even more attractive is the fact that they operate in a highly regulated industry. This gives banks an extra cushion of safety, as certain regulations keep companies from operating too recklessly. If I could only invest in one Canadian bank, it would be **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

Bank of Nova Scotia first paid its shareholders a dividend on July 1, 1833. Since then, the company has managed to never miss a single dividend payment. That represents 189 consecutive years of successful dividend distributions. Bank of Nova Scotia also offers a high dividend yield (5.38%). If you're interested in a stock that can provide a reliable dividend, while also giving you good value for your money, consider Bank of Nova Scotia.

## Invest in this telecom giant

Finally, no dividend portfolio would be complete without **Telus** ([TSX:T](#))([NYSE:TU](#)). This company is one of the Big Three Canadian telecom companies. It operates the largest telecom network in the country, as its coverage area accounts for 99% of the Canadian population. Telus has also begun to establish itself as a competitor within the healthcare space. It provides a suite of professional and personal healthcare solutions. This includes MyCare, [its telehealth app](#), which can be used to seek medical professionals.

Telus has managed to increase its dividend in each of the past 17 years. Investors should note that Telus aims to maintain a 60-75% dividend-payout ratio, relative to its free cash flow. That may be higher than what some investors may be used to. However, Telus has shown over the past two decades that it's capable of distributing capital intelligently.

### CATEGORY

1. Dividend Stocks
2. Investing

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