



## Want Easy Passive Income? Go With These 3 Canadian Dividend Aristocrats

### Description

Many investors, including me, use stocks as a way of generating passive income. By continuing to buy shares of solid dividend companies, investors could supplement or even replace their primary income over time. If you've never invested in [dividend stocks](#), it may be unclear how you could evaluate whether a stock is suitable for your portfolio. Many people consider a high dividend yield to be very appealing. While I would agree, I think there are other aspects of a stock that investors should consider.

For example, investors should consider whether a stock is listed as a Canadian Dividend Aristocrat. These are generally [blue-chip companies](#) that have increased dividend distributions in at least five consecutive years. If you can find a Canadian Dividend Aristocrat with a high dividend yield, high dividend-growth rate, or both, then you're on the right track. In this article, I'll discuss three Canadian Dividend Aristocrats that could provide you with easy passive income.

### Start with one of the best dividend stocks

I believe **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is one of the best dividend stocks in the country. As a utility company, it tends to receive payments every month. That provides Fortis with a very stable and predictable source of revenue. As a result, the company is capable of planning for dividend raises long before the actual distribution date. This has helped Fortis become a premier Canadian dividend stock.

Having increased its dividend in each of the past 48 years, Fortis holds the second-longest active dividend-growth streak in Canada. The company also projects that it'll be able to continue increasing its dividend at a compound annual growth rate (CAGR) of 6% through to 2025. That could help investors stay ahead of inflation. When looking for dividend stocks to hold in your portfolio, Fortis should always be one of the first companies investors should consider.

### This company has a high dividend-growth rate

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is a very interesting company. It leads Canada's railway industry, operating nearly 33,000 km of track. Its rail network stretches from British Columbia to

Nova Scotia. Canadian National also runs lines as far south as Louisiana. It's estimated that the company transports more than 300 million tons of cargo each year.

Canadian National has [increased its dividend](#) in each of the past 26 years. Over that period, its dividend has grown at a CAGR of 15.6%. That greatly outpaces the inflation rate, helping investors maintain buying power over time. If you're looking for a stock with a business that's easy to understand and a dividend that grows at a high rate, consider Canadian National.

## One of the most reliable dividend payers in Canada

Finally, if investors want to define a "reliable dividend" to mean a stock that pays dividends on a very consistent basis, then the Canadian banking industry would be a good place to look. The Big Five banks, in particular, are known for long histories of paying dividends. In addition, those five companies have established very formidable moats over the years, which could help them stay atop the industry for a long time.

Of that group, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is my top pick. This company has been paying shareholders a dividend since 1833. That represents 189 consecutive years of dividend payments. In addition, Bank of Nova Scotia's forward dividend yield is very attractive (5.38%). If you're looking for a stock with a high yield and a long history of distributing dividends to shareholders, Bank of Nova Scotia is as good as it gets.

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2. Investing

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:FTS (Fortis Inc.)
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