



## Passive Income: 3 Top Dividend Stocks to Buy for Less Than \$100

### Description

It may not seem like it but now's an excellent time to think about building a passive-income stream through [dividend investing](#). The recent volatility in the stock market has sent yields soaring for many Canadian dividend stocks.

As prices gradually rise, yields will eventually come back down to reality. But for the time being, if you're looking to earn some extra income on the side, investing in dividend stocks is a great way to do just that.

I've put together a basket of three dividend-paying companies that are all currently yielding upwards of 4.5%. All three picks are also trading below 52-week highs.

Canadian investors can own this entire basket for less than \$100 right now. But based on the market's performance over the past month, these discounted prices might not last for much longer.

### Algonquin Power

This trustworthy utility stock would be one of my top picks if I were building a passive-income portfolio.

At today's stock price, **Algonquin Power's** ([TSX:AQN](#))([NYSE:AQN](#)) dividend yields just over 5%. But what makes this utility stock stand out from other dividend-paying companies is its defensiveness.

Utility companies have the luxury of benefiting from predictable earnings. Demand for utilities tends to not be overly impacted by changes in the health of the economy. As a result, Algonquin Power experiences far less volatility in its stock price than most companies on the **TSX**.

If you're looking for a dependable dividend stock with a top yield, you can't go wrong with Algonquin Power.

## Manulife

Speaking of unexciting but dependable industries, **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)) is another high-yielding dividend stock passive-income investors can count on.

At a market cap nearing \$50 billion, Manulife is Canada's largest insurance provider. The company also boasts a growing international presence, which is just one reason why I wouldn't expect this Dividend Aristocrat to stop growing its dividend anytime soon.

At a dividend yield of just above 5.5%, this is the highest-yielding of the three companies in this basket. It's also a yield that you'd be hard-pressed to match on the TSX, especially considering Manulife is a Dividend Aristocrat.

For passive-income investors focusing primarily on earning the highest yield possible, this is as dependable of a 5.5% payout as you'll find today.

## Telus

To round out this diversified basket of dividend stocks, I've included the Canadian telecommunications leader, **Telus** ([TSX:T](#))([NYSE:TU](#)).

Once again, there's nothing all that exciting about the industry that Telus operates in. But, when it comes to passive-income investing, boring is certainly not a bad thing.

Telus's 4.5% dividend yield ranks it as the lowest in this basket. It does, however, have the potential to drive market-beating returns in the coming years.

Excluding dividends, shares of Telus are just about on par with the **S&P/TSX Composite Index's** return over the past five years. But when you factor in the growth potential that will undoubtedly come from the expansion of [5G technology](#), Telus definitely has the potential to be a market-beating stock over the next decade.

Passive-income investors willing to sacrifice some yield today for long-term growth potential should have Telus at the top of their watch lists.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:MFC (Manulife Financial Corporation)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:MFC (Manulife Financial Corporation)

6. TSX:T (TELUS)

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