



My 3 Favourite TSX Dividend Stocks Right Now

Description

Many Canadians dream of being financially independent one day. Someone is defined as being financially independent when they don't need to rely on a job to fund their day-to-day expenses. One way to achieve that would be by building a source of passive income. [Dividend stocks](#) could do that for you, and they come with a very low barrier to entry.

In this article, I'll discuss my three favourite **TSX** dividend stocks. I believe that investors hoping to achieve financial independence should consider buying these three stocks.

Buy one of the Canadian banks

If you're looking for just one dividend stock, I'd suggest you consider checking out the Canadian banks. This is because the industry is filled with great companies that have long histories of paying shareholders. In addition, the Canadian banking industry is highly regulated. This gives banks a certain margin of safety, with respect to how they operate. It also makes it difficult for smaller and newer banks to displace the industry leaders.

If I could only choose one Canadian bank to add to my portfolio, it would be **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). This company has notably [paid its shareholders](#) a portion of its earnings in each of the past 189 years. Bank of Nova Scotia should also be recognized for the rate with which it grows its dividend. Over the past five years, its dividend has grown at a compound annual growth rate (CAGR) of 5.45%. That beats the long-term inflation rate, allowing investors to keep buying power over the years.

Invest in this utility company

Brookfield Renewable ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one dividend stock that I hold in my portfolio that I think more investors should consider buying today. With nearly \$68 billion of assets under management, Brookfield Renewable is one of the largest producers of renewable utilities in the world. Since its inception, Brookfield Renewable stock has generated an annualized return of 17%.

Brookfield Renewable has managed to increase its dividend in each of the past 11 years. Over that period, the company has grown its distribution at a CAGR of 6%. This is one of my favourite dividend stocks in Canada. I believe that renewable utilities could be a much bigger industry in a few years' time. Brookfield Renewable is poised to lead the way.

This is one of the best dividend stocks around

Finally, investors should consider adding **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) to their portfolios. This company provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. All considered, it operates a portfolio which consists of about \$60 billion of assets under management. Impressively, Fortis only operated \$390 million of assets in 1987. That means Fortis's portfolio has grown at a CAGR of 15.5% over that period. In 2021, Fortis generated \$9.4 billion in revenue.

Fortis is a notable dividend stock, because of its long history of raising its dividend distribution. In fact, it has raised its dividend in each of the past 48 years. That gives it the second-longest active dividend-growth streak in the country. It projects that it'll be able to continue growing its dividend at a CAGR of 6% through to at least 2025.

CATEGORY

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:FTS (Fortis Inc.)
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5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:FTS (Fortis Inc.)

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