



New Investors: The 2 Best Options to Earn Regular Passive Income

Description

Finding one or more dividend stocks representing the best options to earn regular passive income is an objective of nearly every investor. Unfortunately, identifying the dividends stocks to help attain that goal can be frustrating for new investors.

The good news is that it doesn't need to be that hard or frustrating. There are plenty of great stocks that can help existing and [new investors](#) alike earn regular passive income. Here are some of those options to consider now.

Banking on nearly 200 years of payments

Canada's [big banks](#) are great long-term picks for any income-seeking investor. **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is unique among its big bank peers in that regard.

BMO is Canada's oldest bank and has been paying out dividends without fail for nearly two centuries. The current yield on that quarterly dividend works out to 4.62%. This means that investing \$40,000 in BMO will generate a first-year income of just shy of \$1,850.

Prospective investors should keep in mind that reinvesting that income until needed can result in a much higher income come retirement. It's also worth noting that BMO, like its big bank peers, provides annual bumps to that dividend.

Another key point to mention is BMO's approach to growth. Late last year, BMO announced a US\$16.3 billion deal to acquire U.S.-based Bank of the West. The deal will greatly expand BMO across the U.S. market providing a boost to both deposits and customers. The deal will also expose BMO to some high-value markets such as California.

Apart from the stellar growth potential and handsome dividend, there is one more reason to love BMO right now. Given the volatility across the market, BMO currently trades at a discount now, with a P/E of just 7.21.

That factor alone screams buying opportunity. Add in the stellar dividend and growth potential, and you have one of the best options to earn regular passive income.

Buying into everything that surrounds us

Apart from Canada's big banks, another segment that deserves some attention from investors is the telecom field. Canada's telecoms are notoriously great investments for income seekers.

BCE ([TSX:BCE](#))([NYSE:BCE](#)) specifically boasts a very juicy dividend while also providing reliable coast-to-coast service coverage and over a century of operations.

In addition to providing core subscription-based services, BCE also owns a massive media segment. That media empire includes dozens of TV and radio stations as well as interest in professional sports teams.

Across all of those lucrative segments (which provide multiple revenue streams), the two areas of particular interest are BCE's wireless and internet services segments.

Since the pandemic started, there are more of us working and learning in a remote setting. Now that the pandemic is winding down, there are many who are remaining in that remote capacity. This means that the need for a fast and consistent internet connection has never been greater. In short, a home internet connection has been elevated into the realm of necessity.

Turning to wireless, the impact of 5G connections is only beginning to be felt. The increasingly faster and by extension, more data-hungry devices have created a vicious circle that serves BCE very well. In other words, as our devices are upgraded and gain faster download speeds and more functionality, so too will our monthly data bills.

Both of these segments are becoming increasingly defensive towers for BCE and should excite long-term investors. In short, BCE is a stellar long-term investment with a defensive core and a very juicy dividend.

The best options to earn regular passive income

In my opinion, if BCE and BMO aren't already part of your portfolio, they should be. Both represent some of the best options to earn regular passive income.

Buy them, hold them, and watch them grow.

CATEGORY

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2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
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