Passive Income: 3 Dividend Stocks (With Yields of at Least 4%) to Buy and Forget

Description

Now is as good a time as any to think about building a stream of passive income. With volatility not looking like it will slow down just yet, an additional source of income could go a long way over the next few months.

When it comes to building a stream of passive income, investing in dividend stocks is one of your best bets. There are plenty of dependable Dividend Aristocrats to choose from on the **TSX** — many of which are paying top yields right now after stock prices have dropped this year.

When it comes to choosing which dividend stock to invest in, you'll want to look at more than just the yield. The company's track record of dividend payouts should also be top of mind. In addition to that, dividend stocks may be able to provide a portfolio with more than just passive income, such as growth or defensiveness.

I've put together a basket of three top dividend stocks that any passive-income investor would be wise to have on their radar. Whether you're a seasoned passive-income investor or completely new to dividend stocks, these are three companies that you can't go wrong with owning for the long term.

Algonquin Power

At a yield currently above 5%, **Algonquin Power** (TSX:AQN)(NYSE:AQN) is the highest-yielding dividend stock in this basket. But a top yield isn't the only reason to own shares of this company in a long-term investment portfolio.

Due to the company's growing renewable energy division, Algonquin Power has been no stranger to delivering market-beating returns in recent years. Excluding dividends, shares are up 35% over the past five years. In comparison, the **S&P/TSX Composite Index** has returned less than 30%.

And then there's the defensiveness. Utility stocks tend to endure far less volatility than most other industries. So, if your portfolio tends to skew towards higher-risk companies, owning shares of this dependable utility stock would be a wise idea.

Toronto-Dominion Bank

The Canadian banks own some of the top yields and longest payout streaks on the TSX. You could do a heck of a lot worse than only investing in the big banks in a passive-income portfolio.

At a market cap of $150 billion, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is closing in on **RBC** as not only the largest Canadian bank but the largest company on the TSX.

At today's stock price, TD Bank's annual dividend of $3.56 yields 4.2%.

You'll sacrifice some yield for dependability with this dividend stock. But when it comes to passive-income investing, dependable slow-growing companies cannot be overlooked.

Telus

The last pick in this basket is the $40 billion telecom giant **Telus** (TSX:T)(NYSE:TU).

In addition to a 4.5% yield, Telus has increased its dividend each year for more than 15 consecutive years.

The telecom company has also been doing a strong job growing its presence in the healthcare space. That growth has been led by the company's telehealth app, MyCare, which witnessed a massive boost during the pandemic.

With the telemedicine industry still largely in its infancy state, there's no reason why Telus cannot continue paying a top yield in the coming decades while also putting up market-beating returns.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:T (TELUS)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Flipboard

3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. ndobroruka

Category

1. Dividend Stocks
2. Investing

Date
2025/09/30
Date Created
2022/09/06
Author
ndobroruka