



The Top 5 Stocks to Earn Passive Income for Life

Description

The TSX has multiple stocks that pay dividends. Thankfully, several stocks have been paying regular dividends for at least two-and-a-half decades. This makes them lucrative options for investors seeking worry-free passive income. With a reliable passive income in the background, here are my top five stocks that have the potential to return solid cash to you, even amid a challenging market environment.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is among the [safest stocks](#) to earn regular passive income that will grow with you. It operates a rate-regulated utility business that consistently delivers solid cash flows irrespective of economic situations. It has paid and increased its dividend for 48 years thanks to its resilient cash flows.

Fortis continues to invest in its business, which will drive its earnings. Notably, through its \$20 billion capital program, Fortis expects its rate base to increase at an annualized rate of 6% through 2026. Further, it projects a 6% annual growth in its dividend through 2025. It is yielding about 3.7%, which is safe and well protected.

Bank of Montreal

With a dividend payment history of 193 years, **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is a dependable stock to bet on for regular passive income. Bank of Montreal's ability to grow earnings and a low target payout ratio of 40-50% bode well for dividend payment and growth.

It's worth mentioning that Bank of Montreal has increased its dividend at an average annualized rate of 4% in the last 10 years. Further, its diversified revenue base, solid asset quality, operating leverage, and robust balance sheet indicate that it is well positioned to pay and hike its dividend. Bank of Montreal stock yields 4.6%.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another top stock for passive-income investors. Its diversified and resilient cash flows (over 40 diverse cash flow streams) and robust dividend payment and growth history (it has paid a dividend for 67 years and increased it for 27 years) indicate that investors can easily rely on its for regular income.

Enbridge has a solid portfolio of conventional and renewable energy assets that generate utility-like cash flows. Moreover, benefits from new assets placed into service and multi-billion-dollar secured capital program position it well to deliver strong distributable cash flows that will support future dividend growth. It is offering a high yield of 6.3% at current levels.

Canadian Utilities

With a dividend-growth history of 50 years, **Canadian Utilities** ([TSX:CU](#)) emerges as another top stock to generate a reliable passive income. Its rate-regulated and contracted assets account for most of its earnings, implying that its payouts are safe.

Canadian Utilities consistently invests billions of dollars into rate-regulated and contracted assets that expand its earnings base and drive dividend payouts. By investing in Canadian Utility stock, investors can add stability to their portfolios. Moreover, they can earn 4.4% by investing in this top [dividend stock](#).

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is the final stock on this list. It has paid a dividend since 1833. Moreover, in the past decade, its dividend has grown at a CAGR of 6%. Its dividend payments are supported by its growing earnings base and exposure to high-growth banking markets.

Looking ahead, its ability to drive loans and deposit volumes, stable credit performance, and operating leverage will drive its earnings and dividend payments. Scotiabank stock is offering a dividend yield of 5.8%.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:BNS (Bank Of Nova Scotia)

7. TSX:CU (Canadian Utilities Limited)
8. TSX:ENB (Enbridge Inc.)
9. TSX:FTS (Fortis Inc.)

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Date

2025/08/20

Date Created

2022/09/06

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