



## Passive Income the Easy Way With Dividend Stocks

### Description

[Dividend investing](#) is one of the easiest ways to earn passive income during inflationary periods. Many publicly listed companies in Canada share a portion of their retained earnings to shareholders through dividend payments.

Although dividend stocks are great sources of income, the payouts aren't guaranteed. The decision to pay, increase, slash, or cancel dividend payments is at the discretion of the company — more specifically, the board of directors. However, financial success depends on the choice of investments.

[Large-cap stocks](#) — matured, and well-established companies — can help investors build wealth over the long term. Investing in them assures consistent, uninterrupted dividend payments, regardless of the economic environment.

### Perfect “10”

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **Canadian Utilities** ([TSX:CU](#)) are ideal for income-oriented investors. On a scale of one to 10, both dividend stocks are “perfect 10s” if the basis is the dividend track record or dividend-growth streaks.

TD, Canada's second-largest bank, has been paying dividends since 1857 (165 years). Growth is also on the horizon in fiscal 2023 and beyond. Canadian Utilities is the only Dividend King on the TSX. The dividend hike in June 2022 marked 50 consecutive years of dividend increases.

The dividend stocks belong to different sectors (financials and utilities) but are equally resilient in the face of uncertain market conditions. Paying dividends is in their DNA, and that should continue for years to come.

### Superior growth profile

The good news for TD investors is the upgrade from market analysts covering the bank stock.

According to Mike Rizvanovic from Keefe, Bruyette & Woods, TD's favourable valuation relative to historical levels don't reflect yet its superior growth profile through fiscal 2024. The \$152.44 billion bank is on the cusp of completing the transaction to take over First Horizon across the border.

TD is a compelling growth story in the U.S. because of two strategic acquisitions. Besides First Horizon, the Canadian big bank signed a definitive agreement to acquire Cowen. The diversified investment bank with a strong equities business will enable TD Securities to accelerate its growth plans in America.

As of this writing, the bank stock is the best quality stock you can buy for less than \$100. It currently trades at \$85.53 per share and pays an attractive 4.21% dividend.

## Regulated utilities

Don't expect much price appreciation or capital gains from Canadian Utilities, although the utility stock is up 13.6% year to date. Income-oriented investors stick to the Dividend King for its highly predictable cash flows. If you invest today (\$40.24 per share), the dividend yield is 4.42%.

The \$10.85 billion multinational energy infrastructure company delivers natural gas and electricity to customers in Alberta and Northern Canada. CU also provides electricity in Mexico and Puerto Rico. In Australia, the company operates efficient natural gas-powered power plants. The global reach and expertise make for an enduring regulated utilities business.

## Peace of mind

Toronto-Dominion Bank and Canadian Utilities require minimal evaluation. Their outstanding dividend history is enough to give you peace of mind. Purchasing either stock today is money well spent.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:CU (Canadian Utilities Limited)
3. 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. cliew
2. kduncombe

#### **Category**

1. Dividend Stocks
2. Investing

#### **Date**

2025/07/19

#### **Date Created**

2022/09/07

#### **Author**

cliew

default watermark

default watermark