



## 1 High-Yield Dividend Stock to Own for Lifelong Passive Income

### Description

Canadian investors seeking out passive income through a top dividend stock have a few options to consider. A high yield is great, sure. But it's not so great if that dividend is going to be cut one day. Or if it's going to stop rising altogether.

So today, I'm going to look at one high-yield dividend stock that ticks all these boxes. This high yielder delivers solid growth in both shares and dividends, and you can look forward to owning it for decades to come.

### Algonquin Utilities

Utilities are some of the most stable passive income stocks you can own. And among them **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is one of the best. Utility stocks like Algonquin provide passive income because it has long-term contracts coming in with solid revenue. This comes from being an [energy](#) provider, something we simply will always need.

What's more is that Algonquin stock has been able to continue to improve its business and also its dividend thanks to its growth strategy. The dividend stock grows its organic business, and uses the cash to increase its dividend, as well as make new acquisitions, then starts the process again. It's a simple, stable structure that's led to superior growth for this renewable energy and utility company.

### How much growth?

Let's look at this in a few ways. Algonquin stock has seen shares grow by 523% in the last two decades. That comes to a compound annual growth rate (CAGR) of 9.57% during that time. This is incredible growth from a company that's in such a stable sector, and what's more that growth has been linear, beyond the market crashes of the last few decades.

Then there's its dividend. Algonquin stock has been a solid dividend stock that offers a high yield currently at 5.27%. That passive income has grown higher and higher on a consistent basis over the

years. In fact, it's now a Dividend Aristocrat, raising its dividend for over 25 consecutive years.

And as of writing, that dividend has grown at a CAGR of 12.78% in the last decade. Yes, 12.78%! Back in 2012, you would have received a quarterly dividend of \$0.07 per share. Now, that's jumped to \$0.233 per share, with a consistent rise from 2012 to now.

## Recent performance

Algonquin stock has been a strong [dividend stock](#) because it continues to make strong acquisitions. That includes recent acquisitions contributing to strong results coming in from its second quarter.

The dividend stock increased its revenue by 18% year over year to \$624.3 million, with adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) up 18% to \$289.3 million. Adjusted net earnings were up 19.6% as well to \$109.7 million. Management has announced the completion of two projects coming online, as well as a pending acquisition in Kentucky.

## Bottom line

Algonquin stock hasn't slowed down because it hasn't had to. The company continues to raise its dividend year after year because revenue rises year after year. And it looks like this will continue to be the case for decades to come.

### CATEGORY

1. Dividend Stocks
2. Investing

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alegatewolfe

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