



## New to Investing? Here's Why Dividend Stocks Are the Best to Buy Now

### Description

If you're just starting out investing, you may have realized that there are plenty of stocks from all different [sectors](#) that don't pay dividends. In fact, generally, companies that are in the early stage of business or are still growing their operations rapidly don't pay dividends. But while these can be great investments, plenty of stocks that do pay a dividend are some of the best to buy now.

Growth stocks don't pay dividends, because many of these companies are not yet profitable. And if these higher-growth stocks do return capital to shareholders, they usually pay out very little, since they need the majority of their cash flow to continue investing in growth.

Therefore, we know that many dividend stocks, particularly ones that offer compelling yields, have well-established businesses and earn consistent profits. And because their businesses are more reliable, investors are less willing to sell these dividend stocks, which results in them being [less volatile](#) than the market.

This makes these high-quality dividend stocks ideal for multiple reasons. They protect your capital better, as markets are selling off, and the [yields](#) that they provide help to offset any capital losses you may have incurred in the market selloff.

Furthermore, the cash they pay you is much more valuable at a time when stocks across the board are becoming cheaper.

So, as uncertainty picks up, and the potential for a recession continues to increase, here are two of the best dividend stocks to buy now.

## One of the best dividend stocks to buy and hold for the long haul

A perfect example of a stock that likely won't pay a dividend for years is **Shopify**, the e-commerce stock that continues to invest capital in growing its operations.

On the flip side, an extremely well-established business that earns billions in cash flow each year and is one of the best dividend stocks you can buy now is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the owner of Bell.

BCE is one of the best dividend stocks you can buy and one of the most reliable long-term investments you can make for several reasons.

First, its two major segments, wireline and wireless, are highly defensive and should see little impact from a potential recession. In addition, as the company continues to build out its 5G and fibre-to-the-home infrastructure, there is a significant runway for growth for the stock.

Furthermore, many of the assets that BCE owns are long-life assets that require little maintenance yet help to earn BCE tonnes of cash flow. This makes it an excellent dividend stock, so it's not surprising that BCE continues to increase its dividend each year.

In fact, over the last five years, the dividend has been increased by over 28%. And today, it offers an attractive yield of nearly 6%. So, if you're looking for some of the best dividend stocks to buy for your portfolio in this environment, BCE is one you'll surely want to consider.

## A top utility company with a 50-year dividend-growth streak

Another high-quality dividend stock that's one of the best investments to make in this environment is **Canadian Utilities** ([TSX:CU](#)).

Canadian Utilities owns tonnes of ultra-safe and reliable utility and infrastructure assets in North America, South America, and Australia that are worth over \$20 billion. These assets are incredibly reliable and, in the case of its utility businesses, they are regulated by governments. This makes Canadian Utilities one of the best dividend stocks you can buy.

For years, it's managed to weather several different economic environments, which is why it has the longest dividend-growth streak of any Canadian stock, standing at a whopping 50 straight years.

And today, the company continues to invest in growth, putting more than \$3 billion to work from 2022 through 2024 to help drive significant growth of both its earnings and the dividend.

That dividend has been increased by just shy of 25% over the last five years, and today it offers a yield of roughly 4.5%. So, if you're looking for some of the best dividend stocks to buy while the market continues to see increased volatility, Canadian Utilities is one of the best there is.

### CATEGORY

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### TICKERS GLOBAL

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2. TSX:BCE (BCE Inc.)
3. TSX:CU (Canadian Utilities Limited)

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