Want Easy Passive Income? Go With These 3 Canadian Dividend All-Stars

Description

Many investors, including me, dream of one day having their portfolios pay for day-to-day expenses. When that is achieved, it's known as *financial independence*. One way to do that is by investing in stocks that pay dividends. Canadian stocks that have established long histories of paying dividends are known as Canadian dividend all-stars. In this article, I'll discuss three such stocks that investors should consider buying today.

This stock has one of the longest dividend-growth streaks in Canada

When looking at Canadian dividend stocks, **Fortis** (TSX:FTS)(NYSE:FTS) should be one of the first companies that comes to mind. It provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean.

Fortis is notable for its long history of increasing its dividend. In fact, Fortis's 48-year dividend-growth streak stands as the second longest active streak in Canada. To put that into perspective, Fortis has managed to increase its dividend through the Great Recession and the COVID-19 pandemic. Investors should also note that the company offers investors a forward dividend yield of 3.81%.

A company that dominates a Canadian industry

One characteristic of dividend stocks that investors should take note of is whether a stock has a large moat. That's essentially a company's competitive advantage over its peers. The Canadian railway industry is an interesting area to consider. Currently, there are two companies that dominate that industry. Of those two companies, **Canadian National** (TSX:CNR)(NYSE:CNI) stands out for me. It operates 33,000 km of track, spanning from British Columbia to Nova Scotia.

Canadian National is notable for having increased its dividend in each of the past 26 years. That makes it one of only 11 TSX-listed stocks to reach that mark. It should be noted that Canadian

National's forward dividend yield of 1.94% isn't as high as some other top-tier dividend stocks. However, with a 37% dividend-payout ratio, the company does have a lot of room to continue raising its dividend in the future. Canadian National has notably increased its dividend at a compound annual growth rate of 12.2% over the past five years.

This company should be very attractive

Finally, investors should consider buying shares of **Telus** (TSX:T)(NYSE:TU). This company is one of the Big Three Canadian telecom providers. Its network coverage area accounts for 99% of the Canadian population. Despite that dominance in the Canadian telecom industry, I believe its healthcare business is what investors should be focusing on. Telus offers a suite of personal and professional healthcare products, helping it emerge as a top player in that industry.

Telus currently offers investors a forward dividend yield of 4.77%. In addition, the company has managed to increase its distribution in each of the past 17 years. Those two characteristics combined should make Telus a very attractive stock for any dividend portfolio.

CATEGORY

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