



2 of the Best Dividend Stocks to Buy for Growing Passive Income

Description

Often, investors look for dividend stocks that offer the highest yield. However, while a high yield can certainly be attractive and increase the passive income you earn today, as a long-term investment, dividend stocks that offer large and consistent dividend increases will be some of the best to buy for passive-income seekers.

Investing is all about buying and holding stocks for the [long run](#). And even though dividend stocks allow you to receive some cash today, the true power of dividend stocks comes from the [compounding](#) effects that are realized over time.

Therefore, when you can find dividend stocks that will consistently grow their dividend payments and do so in a meaningful way, even if the yield is lower today, these stocks could be paying you out much more capital in the years to come.

So, if you're a dividend investor looking to grow your passive-income stream, here are two of the best dividend stocks to buy now.

Top Canadian utility stocks offer attractive passive-income growth

Many Canadian utility stocks are some of the best investments to make for reliable and consistently growing passive income. In fact, **Canadian Utilities** ([TSX:CU](#)) has not only been a reliable dividend payer for investors, but it's also increased its dividend for an impressive 50 straight years — the longest streak in Canada.

Canadian Utilities is such a reliable stock because it owns a portfolio of energy infrastructure assets diversified all over the world. The company offers services such as electricity transmission and distribution, natural gas transmission and distribution, energy storage, industrial water solutions and more.

These are highly defensive services, and by diversifying geographically, Canadian Utilities helps to lower its risk even further. And because it's such a reliable, low-risk investment, on top of the fact that it has such predictable revenue and cash flow, Canadian Utilities is one of the best dividend stocks you can buy for consistently growing passive income.

In just the past five years, it's increased its dividend payments by over 24%. And today, the stock offers an attractive yield of more than 4.8%.

A top Canadian telecom stock

Another high-quality and highly reliable company that's one of the best dividend stocks you can buy is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

BCE is a top passive-income generator because it has such a massive business; plus, much of the services it offers are essential, which makes its business highly defensive. Furthermore, BCE owns tonnes of long-life assets that earn the company billions in cash flow each quarter.

Since 2017, and including through the pandemic, BCE has managed to generate over \$3 billion in free cash flow every single year.

And although it doesn't have the same lengthy dividend-growth streak as Canadian Utilities, BCE has increased its dividend every year for over a decade now and continues to be one of the best Canadian dividend stocks to buy for growing passive income.

Over the past five years, it's increased its dividend by over 28%. Furthermore, after pulling back in the recent stock market selloff, BCE now offers a yield that's upwards of 6.3%

So, if you're a passive-income seeker looking to buy top-notch long-term stocks in this environment, then a high-quality dividend-growth stock like BCE is one of the best to consider.

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1. Dividend Stocks
2. Investing

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3. TSX:CU (Canadian Utilities Limited)

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