



Passive Income: 2 Dependable Dividend Stocks to Buy Today and Own Forever

Description

Have you been feeling the pain of the market's recent volatility? If so, you're not alone. It's bad enough that the Canadian stock market as a whole is down more than 10% in 2022. But on top of that, the volatility has been off the charts.

In turbulent market conditions, like that which we're experiencing today, it's important to have a plan in mind for your investment strategy. It's only natural to want to make knee-jerk reactions in your portfolio when the market is as volatile, as it is right now. But as hard as it may be, it's now more than ever that we need to stick to our plan.

As a long-term investor myself, as bad as it's been in the stock market this year, it's not enough for me to stop investing altogether. That being said, I have slightly changed my tune in terms of the types of companies I've been investing in.

While I still am predominantly a growth investor, I've been looking much more towards [dividend stocks](#) as of late. I'm not expecting the volatility in the stock market to slow down anytime soon. As a result, I'm looking to create a dependable stream of passive income in my portfolio.

Building a passive-income stream through dividend stocks

There are two key numbers that passive-income investors should be sure to keep in mind. First, you'll want to know how much the dividend pays per share. Alternatively, you could look at the yield, which you can find by dividing the payout by the stock price.

The second number to keep in mind is the number of consecutive years that the company has been paying a dividend. In addition, you may also want to know if there's any sort of growth streak that the dividend stock is on. In essence, has the company not only paid a dividend for consecutive years but increased that dividend each year, too?

With that in mind, here are two top dividend-paying companies that passive-income investors should have on their watch lists.

Two must-buy dividend stocks for passive-income investors

When it comes to dependability, utility companies are second to none. That dependability translates into lower levels of volatility for utility stocks, which I think we could all appreciate in today's harsh investing climate.

At a market cap now above \$10 billion, **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)) is a Canadian leader in the utility business. The company also boasts a growing [renewable energy](#) division, which partially explains why shares have outperformed the **S&P/TSX Composite Index** over the past five years.

At today's stock price, the company's annual dividend of \$0.92 per share yields a whopping 5.5%.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is my second pick. In addition to paying a top yield, the \$80 billion bank is riding a payout streak that not many companies can match.

At today's stock price, Bank of Montreal's dividend yields a very respectable 4.5%. But even more impressively, the bank has been payout dividends to its shareholders for close to 200 consecutive years.

If a dependable payout is what you're after, you cannot go wrong with owning this major Canadian bank.

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2. NYSE:BMO (Bank of Montreal)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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