



3 Top U.S. Stocks to Buy for Fast-Growing Passive Income

Description

It's not easy to make the case that [volatility](#) in the stock market will slow down anytime soon. There's still plenty of uncertainty in the short-term future of the economy, which is exactly what investors hate most. Whether it's rising interest rates or geopolitical concerns, there are more reasons than one to believe there will be more pain in the short term for investors.

The market's turbulent performance over the past year has reminded me of a few key investing lessons. One of which is that not all stocks are meant to be owned solely for growth reasons. You might be investing in a company for the [diversification](#) it will provide for your portfolio. Another reason could be to generate a stream of passive income.

With market volatility looking like it's here to stay, thinking of building an additional source of income wouldn't be a bad idea. That's exactly why I'm looking to add a few dividend stocks to my portfolio this month.

Here are three top U.S. dividend stocks at the top of my watch list right now.

Lowe's

There's not a whole lot to get excited about with the home improvement market. In fact, all three dividend stocks on my list are far from what you'd call exciting companies. However, when it comes to passive income, dependability goes a long way.

A dividend yield of 2.25% isn't anything to write home about. But what is impressive is **Lowe's** ([NYSE:LOW](#)) commitment to increasing its dividend. The home improvement stock has raised its dividend every year for more than 50 consecutive years, granting it Dividend King status.

In addition to passive income, Lowe's is no stranger to delivering market-beating returns. Shares are up more than 125% over the past five years. And that's not even including dividends, either.

Coca-Cola Company

The nearly \$250 billion company, **Coca-Cola Company** ([NYSE:KO](#)), is as dependable a dividend stock as you'll find. The global beverage and snacks company has held a market-leading position for decades. And in rough market periods like these, it's well-run companies like Coca-Cola that are able to thrive.

Just like Lowe's, Coca-Cola has increased its dividend payout for more than 50 consecutive years. At today's stock price, the Dividend King is yielding more than 3%.

Good luck trying to find another U.S. dividend stock yielding 3% that can match that type of payout streak.

Verizon

The last pick on this list sacrifices dependability and growth for a high yield.

At today's stock price, **Verizon's** ([NYSE:VZ](#)) dividend yield is close to a whopping 7%. For a company that's increased its dividend for 15 consecutive years, a 7% yield is hard to ignore.

What's also hard to ignore is the stock's performance in recent years. Shares are trading at a loss of 20% over the past five years, while the S&P 500 has returned more than 40%.

If you're looking for passive income in the short term, Verizon is a solid choice. But if you're instead in search of a dividend stock to hold for decades to come, you may be better off investing in one of the first two picks I reviewed.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NASDAQ:COKE (Coca-Cola Bottling Co. Consolidated)
2. NYSE:KO (The Coca-Cola Company)
3. NYSE:LOW (Lowe's Companies, Inc.)
4. NYSE:VZ (Verizon Communications Inc.)

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