



Earn Passive Income for Years With This Dividend Aristocrat

Description

Dividend aristocrats are some of the best **TSX** stocks investors can own right now. These dividend stocks have paid out passive income for years and have *increased* dividends each year for the last 25 consecutive years or more.

Given that, it means you can look forward to future growth even in the face of a recession or economic downturn. But if there's just one I'm considering today, it's **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

BCE stock: a top dividend aristocrat for passive income

BCE stock holds the largest market share of the telecommunications industry as of this writing and has the largest market capitalization as well. It currently sits at about \$54.35 billion and is growing all the time.

That's because BCE stock managed to expand even during the pandemic, with many Canadians looking to upgrade their internet services. This prompted the dividend aristocrat to work on rolling out its [5G network](#) as well as its fibre-to-the-home network as quickly as possible.

BCE stock now boasts the fastest internet speeds in Canada for the last three years running. Yet with the market down, investors can get in on a great deal for passive income.

A deal waiting to be dealt

BCE stock currently boasts a dividend yield of 6.43%. This is incredibly high, owing to the fact that the [dividend aristocrat](#) has gone through a downturn, with the rest of the world. Shares currently trade down almost 7% year-to-date.

Yet that's still market-beating performance, given that the TSX today is down by about 14% year-to-date. Further, you can lock in this passive income while it trades at 18.82 times earnings. All-in-all, it's a huge steal for those seeking long-term passive income.

Why long-term?

Here at the Motley Fool, we typically recommend long-term holds. This strategy has proven time and again to create more returns, especially when it comes to passive income. BCE stock is a great example, as it's been through numerous recessions and continued to increase its dividends, nonetheless.

BCE stock may be down now, but it's still up 506% over the last decade, for a compound annual growth rate (CAGR) of 9.42%. Further, its dividend has increased at a CAGR of 5.1% during that time. So, you can look forward to solid growth for decades to come based on current growth trajectories.

To give you an example, let's say you had \$10,000 you were looking to invest in a dividend aristocrat right now. You wanted to put it away and forget about it for two decades. The only thing you'll do during that time is reinvest your passive income.

If you were to do this, starting now with BCE stock, you would have passive income of \$628 per year! Now, let's say shares rebound to pre-fall prices within a year. That would turn your \$10,000 into \$12,627, plus those dividends.

From there, let's look at historical performance. You now hold these shares for another two decades and see the same CAGR you have in the past. In this case, you could turn that initial \$10,000 investment into \$152,104!

Bottom line

You don't have to invest in scary [growth stocks](#) to see massive gains. A strong dividend aristocrat like BCE stock can create long-term passive income that you can lock in. Further, you can create insane returns simply by reinvesting dividends, and buying now while the stock is down.

CATEGORY

1. Dividend Stocks
2. Investing

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