



## This High-Yield Dividend Stock Could Be One to Hold Forever

### Description

It's been a challenging year in the market, to say the least. Whether you're a growth investor or the patient value-investing kind, it's been difficult to remain optimistic in 2022.

But despite the extreme [volatility](#) and steep selloffs, it's never crossed my mind to stop investing altogether. The rough market conditions have changed my investing strategy in the short term, but it certainly hasn't stopped me from putting money to work in the stock market.

As a predominant growth investor, my portfolio has always tended to skew toward expensive tech stocks. To no surprise to anyone, that has not panned out well at all this year.

The short-term losses haven't turned me away from investing; rather it's made me rethink my portfolio's diversification. The volatility this year made me realize that I could largely stand to benefit from some stability and even passive income.

### Investing in dividend stocks

There aren't many positives to draw on from the market's performance year. One, though, is the fact that dividend yields have spiked. You don't need to search far on the TSX for a [dividend stock](#) yielding upwards of 4%. While that might not be enough to keep up with inflation, it's far more than what most of my tech holdings have returned this year.

The benefits of having a passive-income stream became that much more obvious to me this year. Passive income generated from dividend stocks could have helped offset some of the short-term losses that my high-growth tech stocks have been hit with this year.

It's also worth mentioning that passive income isn't the only reason to invest in dividend stocks. The TSX is full of high-yielding dividend stocks that can provide additional benefits, such as defensiveness or even market-beating growth potential.

The yield may be the first number that comes to mind when researching dividend stocks, but it's

important to remember that there's far more than just that to consider.

## Algonquin Power

At the top of my own watch list right now is **Algonquin Power** ([TSX:AQN](#)). At today's stock price, the utility company's dividend is yielding close to 7%. There aren't many dividend stocks on the TSX that can match a yield like that.

A yield isn't the only reason I'm interested in starting a position in Algonquin Power, though. The stock has the luxury of enjoying lower levels of volatility than most others, due to the nature of the dependable utility industry. And as a growth investor, my portfolio can always stand to benefit from a little more defensiveness.

## Foolish bottom line

Now is as good a time as any to think about building a passive-income stream. Canadian investors can have their pick of discounted Dividend Aristocrats to choose from on the TSX. Whether you're looking for a high yield, dependable payout, or growth potential, there's a Canadian dividend stock for you.

Algonquin Power is a solid high-yielding choice for anyone looking to add some dependability to their portfolio. And with shares down 20% on the year, now is an opportunistic time to start a position in the dividend stock.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:AQN (Algonquin Power & Utilities Corp.)

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