



Earn \$5,000/Year in Passive Income With These Top Canadian Stocks

Description

Investing in [Canadian stocks](#) is a great way to earn passive income with relative ease. Stocks are volatile, so you will need to have a [long-term investment mindset](#). However, if you do the work/research to understand the sustainability and advantages of a business, you can do very well.

If you are looking to get a burst of income, here is one hypothetical stock portfolio that could earn nearly \$5,000 of passive income every year (and potentially more). At the Fool, we recommend a more diversified portfolio, but this should give an idea what kind of passive-income returns are possible in Canada today.

An energy stock for passive income

Enbridge ([TSX:ENB](#)) is a good company if you are looking for an elevated level of passive income on your initial investment. Today, Enbridge pays a \$0.86 per share dividend every quarter. At a price of \$56 per share, that equates to a 6.15% annualized dividend yield. If you put \$30,000 into this stock, you would earn \$460 per quarter, or \$1,845 a year.

Enbridge operates economically crucial pipeline and [energy assets](#). It helps move around one-quarter of the oil produced in North America. 98% of its assets have long-term contracts, so its baseline of earnings is predictable.

Despite being a \$113 billion company, its large capital program should continue to grow earnings by the mid-single digits. Dividends are likely to grow by a similar rate, so investors will also get some passive-income upside ahead.

A top telecom stock

BCE ([TSX:BCE](#)) is another [large-cap stock](#) to hold for passive income. Today, it pays a \$0.92 dividend per share every quarter. With a price of \$64.15 per share, it trades with a 5.74% dividend yield. If you invested \$30,000 into BCE stock, you would earn around \$429.50 per quarter or \$1,718 yearly.

BCE is Canada's largest telecommunications and media provider. For the past 10 years, it has grown revenues and earnings just above the rate of normalized inflation. However, in that time, its dividend has compounded annually around the 5% range.

Internet and cellular services are as essential as electricity and water in today's modern world. BCE has good assets and should provide shareholders a good, growing dividend for years ahead.

A top utility

Canadian Utilities ([TSX:CU](#)) is slightly smaller than the two stocks above, but it is an interesting bet if you just want safe passive income. It has increased its dividend for 50 consecutive years. That is a record in Canada. It pays a \$0.4442 quarterly dividend per share. With a price of \$36.90 per share, this stock earns a 4.8% dividend. Put \$30,000 to work in Canadian Utilities stock and you'd earn \$359 every quarter or \$1,437 annually.

It operates largely regulated distribution or transmission utilities in Canada, Mexico, Chile, and Australia. It has manageable leverage, long-dated debt, and modest capital growth plans ahead.

Like the other stocks discussed, there is nothing overly exciting about Canadian Utilities's business. However, if you want defensive passive income, it is a great place to look.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	FREQUENCY	TOTAL ANNUAL PAYOUT
Enbridge	\$56.00	535	\$0.86	Quarterly	\$1,840.00
BCE	\$64.15	467	\$0.920	Quarterly	\$1,718.56
Canadian Utilities	\$36.90	813	\$0.442	Quarterly	\$1,437.38
Total					\$4,995.94

With prices from November 25, 2022

The passive-income takeaway

You don't have to look far in Canada to find large-cap blue chip stocks that pay substantial streams of passive income. Many of these stocks trade with substantial yields, and Canadian investors can build meaningful sleep-well-at-night income over time.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:ENB (Enbridge Inc.)

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