# 2 Recession-Proof Dividend-Growth Stocks

## Description

The Canadian economy is working its way through a rough patch, and some analysts are even calling the slowdown a recession.

That can be scary for investors, but some companies are less exposed to an economic slowdown than others, and these stocks tend to do well when people start to look for safe places to hide.



Here are the reasons why I think investors should consider **Telus Corporation** (TSX:T)(NYSE:TU) and **Fortis Inc.** (TSX:FTS) right now.

**Telus**

Canada's fastest growing communications company just reported solid Q2 2015 results.

Wireless data revenue increased 18% and wireline data revenue improved 7.8% compared with the same period last year.

The company's customer-first strategy continues to pay off. Telus has a wireless subscriber churn rate of just 0.86%, the lowest in the industry. This is important because smartphone customers are a lucrative group, and they tend to spend more money when they are happy with their carrier.

In fact, Telus saw year-over-year wireless network revenues jump 6.1% in Q2 and the blended average revenue per user (ARPU) increased by 2.9% to $63.48. This was the 19th consecutive quarter of year-over-year ARPU growth.

Telus is seeing strong migration to its Telus TV and broadband Internet services as customers continue to switch from cable competitors.

The company pays a quarterly dividend of $0.42 per share that yields about 3.8%. People might cut back on some expenses in lean times, but the mobile phone, Internet, and TV subscriptions are not likely to get the axe.

**Fortis Inc.**

The generation of electricity and the distribution of natural gas might sound like very boring businesses, but that is exactly what dividend investors should be looking for when the economy is in a slump.

Fortis operates facilities in Canada, the U.S., and the Caribbean. Dividend investors are drawn to this company because 93% of its revenue comes from regulated assets. That makes the cash flow stream both reliable and predictable.

Fortis continues to add capacity to its portfolio. Last year the company bought Arizona-based UNS Energy, and this year it completed the expansion of its hydroelectric facility in British Columbia.

These assets are already contributing to earnings and helped Fortis deliver record earnings of $0.44 per share in the second quarter of 2015.

Fortis pays a quarterly dividend of $0.34 per share that yields 3.6%. The company has increased the payout every year for more than four decades.

In tough economic times, this is one of the top stocks dividend investors can buy.



**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:TU (TELUS)
2. TSX:FTS (Fortis Inc.)
3. TSX:T (TELUS)

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