



2 Best Dividend Stocks to Hold for All Times

Description

If you're building your long-term income portfolio, you need a few stocks that are good for both good and bad times.

That means you can rely on their dividends when the economy is in recession, slowing, or during a major shock to the system, such as the one we had in the Financial Crisis of 2008. These evergreen dividend stocks provide your income stability and help you ride through some rough economic times.

Here are two stocks that are my all-time favourites.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) fits in this category quite nicely. No matter how bad the economy is, people are unlikely to stop paying their utility bills. You don't disconnect your gas and power connections when you lose your jobs.

With a dividend yield of 3.5% and expected future growth of ~6% CAGR, Fortis has long been a favourite stock for conservative investors. Its diversified geographical presence in Canada, the U.S., and the Caribbean provides further stability to its cash flows.

If the economy goes into a recession, utilities are considered to be the safest dividend stocks to cling to. Fortis also has a 43-year history of annual dividend hikes, showing us that it's survived many recessions and shocks.

Having said that, income investors in utility stocks shouldn't expect huge growth because regulators don't allow extraordinary margins. This stock is good for conservative investors looking for a safe dividend with moderate growth prospects.

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) is another stock whose revenue model is solid and recession-proof.

Its portfolio of critical infrastructure assets globally provides diversification and helps the company generate stable cash flows for long-term investors who are keen to earn stable dividends.

Its assets range from a electricity and gas distribution businesses in Australia and the U.S., railroads in South America, and a portfolio of 36 ports in North America, Asia Pacific, the U.K., and across Europe.

As global customers use these critical assets, Brookfield gets paid a utilization fee, which generates stable cash flow. The company distributes the most of its cash flow among shareholders in dividends.

With a dividend yield of 3.3%, Brookfield stock has been a great source of stability and growth for investors. Since 2009, its stock has gained more than 300%, and its quarterly dividend has grown from \$0.175 a share to \$0.435.

The bottom line

It always makes sense to balance your portfolio with some solid stocks that could withstand economic shocks, recessions, and business cycles. Utilities, vital infrastructure providers, some food chains, and retailers that sell everyday items usually do well in a tough economic environment.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. Editor's Choice

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:FTS (Fortis Inc.)

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