



2 Recession-Proof Dividend Stocks to Buy Now and Hold for Decades

Description

As you beef up your retirement income portfolio each year with more investments, you should also look for dividend stocks which are time-tested and can withstand economic shocks.

The 2008 Financial Crisis has taught us that markets don't move in one direction forever. There will be many minor and major corrections if you are in it for the long haul. To protect your portfolio from these shocks, you need to add some recession-proof stocks.

Some businesses are almost immune to economy economic shocks because they sell products and services that are crucial to our daily lives. And that means you can count on their dividend payouts during the worst of an economic downturn.

Keeping this theme in mind, I have picked these two recession-proof stocks for you to consider for your long-term income portfolio.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is a [top utility stock](#) which is capable of protecting your investment when the economy takes an ugly turn. Cutting back on your power and gas bill is probably the last thing you'll do during a time of crisis. We all need these services to continue with our lives.

Fortis's world-class portfolio of utilities at home and abroad and its regulated revenue model help the company to continue producing stable cash flows.

St. John's-based Fortis has \$48 billion in assets with good geographical diversification. The company provides electricity and gas to 3.2 million customers in the U.S., Canada, and Caribbean countries. The U.S. accounts for more than 60% of its assets, while Canada has more than 25%, and the rest are in the Caribbean.

With a 3.59% dividend yield and about 6% expected growth in its annual dividend payouts through 2021, Fortis is one of the best recession-proof stocks.

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) is another stock that does well during recessions. The [company's strength](#) is its global diversification and its exposure to infrastructure assets, which are cash machines.

Brookfield owns utilities, transportation, energy, and communications infrastructure across North and South America, Asia Pacific, and Europe. These critical assets provide long-term investors nice diversification and stable cash flows.

Brookfield Infrastructure has been a great dividend-growth stock. The company targets annual growth of 5-9% in its dividend, but the actual growth of 12% has far exceeded its distribution target. With a current dividend yield of 3.19%, Brookfield pays a quarterly payout of \$0.435 a share.

The bottom line

Owning infrastructure and utility stocks provide safety to your income portfolio. Smart investors balance their investments with recession-proof stocks because it is not a question of if, but when the next recession will hit us.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

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

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hanwar

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