



Get Passive Income With This Dividend Champion

Description

Investors who are looking for monthly passive income need to be invested in dividend-paying stocks. However, it should be stressed that it's a get-rich-gently strategy. The dividends will provide the income stream over time until you attain the extra monthly income target.

The start is always the most difficult aspect. A mistake in the choice of stock could ruin your financial plan. But if you're invested in [a strong dividend payer](#) like **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)), you'd have better chances of accomplishing your objective.

Qualifying the choice

Brookfield Infrastructure Partners, or BIP, is one of the largest owners and operators of diverse global infrastructure networks. The \$15.7 billion diversified utilities company enables the movement and storage of energy, water, freight, passengers, and data.

The company's primary objective is to generate a long-term return of 12-15% on equity. In addition, the goal is to provide sustainable distributions to unitholders. The annual distribution growth target is about 5-9%. If you invest today, your upfront investment would be \$56.13 per share.

The nicest thing about creating passive income from this company is, you're essentially being paid to own shares of BIP. As the company generates profits, part of the income is allocated and paid to you as an investor. There's practically minimal monitoring or maintenance moving forward.

Investment in high-quality business

I won't have qualms choosing a company that has a proven track record of performance. BIP has delivered compounded annual total returns of 15% since its existence in 2008. Further, the nature of the business is vital in moving people and freight in five countries belonging in four continents.

You're investing in a pure-play global infrastructure entity that has about \$65 billion in infrastructure

assets under management. The portfolio consists of 6.7 million electricity and gas connections and 2,000 kilometres of natural gas pipeline with an equal length of electricity transmission lines.

Apart from the steady, inflation-linked cash flows from the utilities portfolio, the stock is recession-proof. This attribute will relieve you of the stress when trying to attain a [pre-determined monthly passive income](#).

Growing dividends

Brookfield Infrastructure Partners is part of the globally renowned Brookfield group, which operates in the business services, commercial real estate, and renewable energy sectors. Long-term investors find BIP a dependable income provider. The current dividend yield is 4.9%, which is appropriate to meet your income target.

I'd pick the stock over other dividend-paying stocks because dividends rise every year and will continue to grow. The company has been successful in selling mature but expensive infrastructure assets and then buying and replacing them with better and high-returning assets. That has been the strategy to cover capital profitably.

Nowhere can you find a unique investment opportunity. Because of the presence in several geographic locations worldwide, the growth prospects and returns are enhanced. You'll like this stock even more, knowing that BIP is starting to attract bigger investors like pension funds.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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