



Boost Your After-Tax Income With 2 Dividend Aristocrats

Description

Boosting after-tax income is becoming relevant these days. Canadians are beginning to feel the effects of withholding taxes and reduced disposable income. The rising cost of living expenses is also taking its toll on employees or regular income earners.

When it's difficult to make ends meet from month to month, you need to augment your active income with passive income. If you have enough savings, consider investing the money in the so-called Dividend Aristocrats. You'll have the opportunity to [grow your after-tax income](#) to supplement your net pay.

The ideal investment choices

There are quite a few publicly listed companies on the TSX that are included in the elite list of Dividend Aristocrats. **Canadian Utilities** ([TSX:CU](#)) and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) are tops on my list. You'll have the power to generate the badly needed extra income to fortify your after-tax income.

Canadian Utilities is under the umbrella of a vaunted holding company **Atco** and is one of the largest utilities in Canada. The \$21.64 billion company is heavily invested in electricity, pipelines and liquids, and retail energy. The central operations are in Canada but actively operating in Australia and Latin America.

The company is eyeing other international markets that would create an expansive global footprint. The markets in the U.S., Mexico, and South America are the next targets. Expect the company's extensive network of 87,000 km electrical power lines, 64,500 km pipelines, and 21 global generating plants to increase.

Canadian Utilities's record of 47 straight years of common shares dividend increases makes the stock a genuine Dividend Aristocrat. The current dividend yield of 4.6% is an above-average yield, which is high enough to boost your after-tax income.

I won't think twice paying more to own shares of Fortis. The \$22.72 billion electric and gas utility

company pays a lower but decent dividend yield of 3.43%. The company never missed a beat in raising dividends annually for 41 consecutive years. That streak won't be halted in the near-term and definitely not in the [long term](#).

Fortis benefits from federal tax credits, and therefore the company's after-tax income is boosted, too. This could mean further dividend growth should management decide to be more generous.

In any case, income is assured for years on end. As a regulated utility company that distributes natural gas and electricity, Fortis earns commensurate to investments in power lines, gas metres, and other assets.

The capital projects in the pipeline can translate into a per-share profit increase of 5-8% annually. By the looks of it, there will be more elbow room to declare higher dividend payouts in the future.

The stock prices of Canadian Utilities and Fortis could increase moderately but not more than 10%. However, you're assured that the source of your extra income will never run dry. These two dividend champions are the one-two punch when you speak of Canadian utilities that humbly hold the longest track record of annual dividend increases.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:FTS (Fortis Inc.)

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