



## 2 Dividend Aristocrats to Boost Your Passive Income

### Description

If you are looking to add income stocks to your portfolio and you decide to check the Canadian Dividend Aristocrats list first, you are on the right track.

Although, it isn't enough to just select a [Dividend Aristocrat](#) and expect your money to be well protected. Especially in the times that we are in, where uncertainty grows by the day, and the economy is on the brink of a [recession](#), the companies you choose need to be able to survive in all economic conditions.

It starts with the nature of the business and whether or not the industry is resilient enough to handle a reduction in revenues.

Combining both these factors will lead you to find an Aristocrat that operates in a strong industry and has solid operations, which should allow it to hold up better in a decreasing market environment.

Two strong dividend aristocrats to consider today are **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)).

### Pembina Pipeline

Pembina is a midstream energy company that operates pipeline services as well as processing plants.

The pipelines consist of conventional pipelines, oil sands pipelines, and transmission pipelines and operate throughout Western Canada as well as through parts of the United states.

Pembina has been expanding its pipeline capacity steadily over the years and is on track to reach capacity of roughly 3.2 million barrels of oil equivalent per day.

It goes without saying that 3.2 million barrels is significant, especially for the Canadian economy, which solidifies Pembina as an important operator to both Western Canada but also the North American economy as a whole.

That's a main reason why it's such a high-quality business to own, and one you can count on to protect your capital.

Its gas-processing business is also significant, with roughly 6.1 billion cubic feet per day, making it the largest third-party gas processor that serves Western Canada.

Looking at the numbers, it's clear Pembina has strengthened its operations considerably, as its margins have improved substantially over the last five years.

Since 2014, its revenue grew roughly 24%, while its operating income grew by more than 100%.

It pays a dividend that yields 5.25%, which is highly attractive and which you can expect to continue to grow.

Pembina has been creating a strong foundation for long-term growth, which is attractive for long-term investors, as you can count on the company to grow and protect your capital.

## Bank of Montreal

BMO reported earnings this week, and what was immediately noticeable was its miss on earnings and its restructuring costs that led to the company cutting a number of jobs.

The \$484 million it spent in the quarter was mostly to cover expenses relating to the job cuts, which totalled roughly 2,300 total jobs, or roughly 5% of its workforce.

Although the banking environment may seem like it's tough at the moment, the Canadian banks are some of the most resilient in the world and are some of the top long-term stocks to own.

Plus, BMO taking the initiative and moving to strengthen its position before anything happens is a prudent move and shows it's willing and able to protect shareholder interests.

Operationally it has been growing well, with three-year annualized growth rates in revenue of more than 6.5% and net income of more than 7.5%.

Although its leverage is still manageable, the company has been able to post return-on-equity numbers north of 12%, which are very strong.

The stock pays a 4.25% dividend, which you can expect to grow, as BMO is one of the top Aristocrats on the list.

The dip we have seen in the share price since earnings, gives investors a prime opportunity to buy up some shares for the long run.

## Bottom line

Bank stocks in Canada are known to be extremely resilient, and it's clear that BMO is already positioning itself to deal with whatever comes next for our economy.

For Pembina, its significant position in Western Canada gives it strong positioning within our economy and solidifies its role, which should be positive for long-term holders, knowing that the economy relies on our ability to transport the oil we produce.

Both stocks are ideal companies to hold, especially if you are looking for long-term appreciation coupled with growing passive income.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BMO (Bank Of Montreal)
4. TSX:PPL (Pembina Pipeline Corporation)

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