2 Dividend Stocks to Build More Income Streams

Description

The fear of an economic slowdown and prolonged recession drove many Canadians to prioritize savings over spending. Statistics Canada reports that the household savings rate (peak of 27.8%) increased significantly in the second quarter of 2020. As of the fourth quarter, households saved about 12.7% of their disposable income.

During recessionary periods, it would help to have more financial buffer. If your finances allow, build more income streams to counter the sting of a recession. The TSX is home to reliable dividend stocks. While risks are ever-present, income streams from companies such as **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY) and **Rogers Sugar** (TSX:RSI) should keep flowing.

Forthcoming buyout

Brookfield Property Partners is a cash cow with its over-the-top 7.55% dividend yield. An investment of $75,500 will produce $5,700.25 in dividend earnings. Also, your capital should double in nine-and-a-half years. The real estate stock currently trades at $22.65 per share.

The $20.67 billion diversified global real estate company acquires high-quality assets in resilient and dynamic markets. Its current portfolio is one of the largest globally. The assets Brookfield Property owns and operates consist of hospitality, industrial, multi-family, office, and retail properties. Some are triple net lease, student housing, and manufactured housing assets.

Management's primary objective is to ensure all its property investments generate attractive long-term returns on equity. The target of between 12% and 15% is achievable, given the stable cash flows, asset appreciation, and annual distribution growth in line with earnings growth.

Performance-wise, the stock's year-to-date gain is 23.14%, proof that Brookfield Property is stable notwithstanding the market headwinds. By the year-end 2021, the company will be under the complete control of **Brookfield Asset Management**. The latter is acquiring the property business for $6.5 billion and is confident the deal should appeal more to investors in the property business.

Business endurance

Rogers Sugar isn't a sweet-sounding name to investors, because sugar is a low-growth business. However, if you're a yield-hungry investor looking for the real deal, this consumer-defensive stock should be on your shopping list. The $589.12 million sugar and maple producer offers a high 6.49% dividend. At only $5.55 per share, you get value for money.

Despite the boring business, the stock's total return over the last 22.5 years is a decent 524.07% (8.46% CAGR). Price fluctuations are not wild, but it usually hovers between $4.5 and $6. Sugar is a consumer staple, so business endurance is a given. Maple syrup, a higher-margin product, is fast catching on as a significant revenue contributor.

The maple syrup production growth in Canada has been stellar over the last two years. While many foods experienced price volatility in the pandemic, the impact on maple syrup prices was minimal. Rogers Sugar expects the sales volume of sugar in fiscal 2021 to be 15,000 more tons than in the previous fiscal year.

Early this month, Rogers Sugar signed a two-year extension to its existing agreement with Alberta Sugar Beet Growers. It should cover the crops in 2021 and 2022. The industry partnership means the parties can continue to develop the "farm-to-table" sustainability of beet sugar.

Steady income streams

If your risk appetite aligns with the businesses of Brookfield Property Partners and Rogers Sugar, consider taking positions in 2021. You'll have a steady income stream during the recession and beyond.

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2. Investing

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2. TSX:RSI (Rogers Sugar Inc.)

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