Want a Raise? Get Income Growth From Dividend Stocks!

Description

Canadians don't have to rely on career advancement or their employers to give them a raise. Instead, you can get income growth from dividend stocks.

More than 100 Canadian dividend stocks have increased their dividends in their past year. Their shareholders did nothing but held their shares to receive that raise. There are many more dividend-growth stocks on the U.S. exchanges as well, including **AbbVie**, **Coca-Cola**, and **Pfizer** to name a few that are not overpriced.

Get +10% income growth

Wouldn't it be nice to earn income that's growing by at least 10% a year? If you earn $300 of monthly income that's growing at that rate, it'll grow to $778 a month in 10 years without any extra investment.

You don't have to dream about this! The top **TSX** stocks have hiked their payouts at a faster rate than that. Some of the TSX stocks that provided the biggest dividend increases in the past year include **goeasy**, **Alimentation Couche-Tard**, and **Enghouse Systems**. Specifically, they last increased their quarterly dividends 47%, 24%, and 19%, respectively.

At writing, they provide yields of approximately 1.8%, 0.8%, and 1.2%, respectively. High-growth stocks such as these don't tend to have juicy dividend yields, though, but that's alright, because their tendency to provide high earnings growth often leads to incredible long-term price appreciation and dividend growth.

Want bigger dividend income now?

Many investors are happy for lower dividend growth for bigger dividend income now. Here's an introduction to a couple of Canadian Dividend Aristocrats with yields of about 7% that are worth further investigation.

Firm Capital Property Trust (TSXV:FCD.UN) is an under-the-radar dividend stock that has increased its dividend for nine consecutive years. It's not largely followed by the investing community, because it's a small-cap stock with a market cap of only about $206 million.

The diversified REIT has increased its cash distribution by 4.4% per year in the past five years. Currently, it provides a hefty yield of 7.25%. Based on net operating income (NOI), its real estate portfolio is diversified across 59% grocery-anchored retail, 22% industrial, 14% non-grocery anchored retail, 4% apartments, and 1% office. Geographically, it earns about 54% and 26%, respectively, of its NOI from Ontario and Quebec.

Interested investors could wait for a dip to at least $6.50 per unit before considering a position in their Tax-Free Savings Account to generate tax-free income.

Get a +7% yield from this real estate stock

For the time being, investors can still get a +7% yield from **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY). The company is in the process of being privatized by **Brookfield Asset Management**, its parent company, general partner, and manager. Brookfield bought back BPY shares through the pandemic when the shares were substantially depressed.

It believes the diversified real estate stock remains undervalued from the doom and gloom around brick-and-mortar retail and even office properties, which are about 85% of the company's balance sheet.

One of the options given to BPY shareholders is converting BPY units to BPY preferred units if they wish to continue earning a high yield from their investments. Specifically, one BPY share can be swapped for 0.7268 BPY preferred units.

The Foolish takeaway

While you're working hard on your career, get your money to work hard for you, too! Consider putting a portion of your long-term investment capital in dividend stocks that will increase your income. Typically, low-yield stocks will grow their dividends faster than high-yield stocks.

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