



## New Investors: Get a Raise From Dividend Stocks Each Year!

### Description

Canadians' median employment income increased from \$33,900 to \$36,900 from 2007 to 2019, according to [Statistics Canada](#). The period includes the recession in 2007/2008 triggered by a financial crisis. During this period, the Canadian median income from employment only increased by 0.71% per year. This low growth cannot keep up with Bank of Canada's targeted inflation rate of 2% in the long run.

You can increase your income immediately by investing excess cash in a low-maintenance dividend stock portfolio. Here are a few defensive dividend stocks you can consider buying. They are all part of the list of Canadian Dividend Aristocrats that have a tendency of increasing dividends.

### A dividend stock to buy and hold

**Canadian Net REIT** ([TSXV:NET.UN](#)) is a low-beta dividend stock with high predictability. The real estate investment trust (REIT) has a recent beta of 0.26 according to *Yahoo Finance*. This means that if the market falls or rises 1%, the REIT is going to fall/rise about 0.26%.

The small REIT is well managed. Even during the pandemic last year, it had the financial flexibility to continue expanding its diversified real estate portfolio. In 2020, it increased its number of properties to 74 compared with 2019's 57. Consequently, its revenue and net operating income jumped 38% to almost \$13 million and \$9.9 million, respectively.

In 2020, Canadian NET REIT posted an occupancy rate of 99%, which is normally 100%. Notably, the quality REIT has a track record of increasing its cash distribution at a slower pace than its funds from operations (FFO) growth. As an example, last year, it increased its FFO per unit by 18% while raising its dividend by 15%.

The recent dip, due to a bought deal offering, is an excellent opportunity to buy shares for an initial yield of about 4%. Consider holding the stock in a TFSA for tax-free income and income growth.

## Fortis stock

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stock is another low-beta dividend stock with little uncertainty. According to *Yahoo Finance*, the electric and gas utility has a recent beta of 0.06.

For almost half a century, the Canadian Dividend Aristocrat has increased its dividend every single year! Fortis stock's stability and predictability come from being a regulated utility that primarily consists of transmission and distribution assets.

The company is well managed and essential to the economy in delivering safe and reliable utility products and services. Fortis estimates its rate base to achieve \$32.2 billion this year.

As Fortis shifts to a more low-carbon footprint, it anticipates an average dividend-growth rate (DGR) of roughly 6% through 2025. This aligns with its 10-year DGR of 5.6%.

The stock yields 3.6% for starters. On a projected 6% dividend hike in September, its forward yield is roughly 3.8%.

## Enbridge stock

*Yahoo Finance* indicates **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock has a recent beta of 0.93, which is slightly below the market volatility. Regardless, it is one of the most stable giants to buy and hold in the energy sector. It's a key transporter of crude oil and natural gas in North America.

The company employs a resilient business model and has demonstrated high predictability in its cash flow generation through business cycles. Specifically, its adjusted EBITDA, a cash flow proxy, has persistently grown higher since 2008, despite volatility in the WTI oil price.

For a quarter of the century, Enbridge has increased its dividend every year. It provides a giant yield of roughly 6.9% at writing and has the capacity to grow it by a rate of at least 3% over the next couple of years.

## Foolish investor takeaway

You can be sure to get income growth every year across this portfolio of low-risk [dividend stocks](#), including Canadian Net REIT, Fortis, and Enbridge. They provide a respectable average yield of 4.8% for starters!

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2. Stocks for Beginners

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1. Editor's Choice

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

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