4 Dividend Stocks to Buy for $10,000 in Annual Income!

Description

Motley Fool investors actually had a pretty good year when it came to investments. In fact, Canadians in general learned how to save during the pandemic. With shopping, travel and other ways to spend unavailable, Canadians saved on average more than they had in the last three *decades*. But that may be coming to an end. Stagflation is predicted for the near term, meaning it might be time to use those savings to buy some dividend stocks.

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Stagflation is when the economy remains flat, but inflation increases. In Canada, inflation is set to rise by 3.6% this year. So you'll want as much cash on hand if the economy remains slow to rebound. With that in mind, here are four dividend stocks that could create $10,000 in annual income.

Energize your investments

The energy sector has created substantial opportunities for dividend stocks to buy. Commodity demand continues to increase, though there has been an issue with the price of oil and gas. But if Motley Fool investors want a way around that, they should look into pipeline companies.

Enbridge (TSX:ENB)(NYSE:ENB) and **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) are the two top choices I would consider. Each provides substantial revenue through its long-term contracts. Pembina stock recently increased its annual guidance, and management believes that could increase again before the year is out. With demand only going up, it also means Enbridge stock and Pembina stock should be able to reactivate their pipeline projects as well.

Enbridge stock currently offers a dividend yield of 6.72% as of writing, and Pembina's stock yield is 6.19%. Each has seen that dividend rise by a compound annual growth rate (CAGR) of 14.32% and 4.91% respectively. Meanwhile, shares are up 20% for Enbridge stock and 28% for Pembina stock in the last year. That's only likely to continue growing as demand for these companies increases.

Stay healthy

And by that, I mean your investments. Some of the best dividend stocks to buy right now are in real estate. But before you buy up an office building REIT, instead consider something in healthcare. These healthcare REITs saw massive growth in the pandemic, proving it can remain stable even during an economic crash *and* a pandemic. One such example was **NorthWest Healthcare Property Units** (TSX:NWH.UN).

NorthWest stock is due to announce its next earnings report on Friday. It's likely we'll continue to hear more good news from this company. NorthWest was able to report 97% occupancy during the last quarter, with an average lease agreement of 14.3 years. It also saw assets under management rise by 16.2%! Meanwhile, it made two strong acquisitions during the last quarter, with a $200 million investment in the Netherlands, and a $2.6 billion acquisition of an Australian healthcare REIT.

Shares of NorthWest are up 21% in the last year, with a dividend yield of 6.2% for Motley Fool investors. Yet it remains quite undervalued with a P/E ratio of just 9.61 as of writing.

A combination?

If you want real estate income *and* energy growth, it's possible to get the best of both worlds with **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP). The company focuses on renewable energy, an area due for immense investment over the next decade. In fact, analysts predict $10 trillion in investment around the world over the next 10 years!

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Brookfield is due to be one of the best dividend stocks to buy during this time. The company has a wide range of renewable assets in every corner of the globe and continues to grow through acquisitions. This makes it a great REIT to consider as well. Shares of the company dropped after initial excitement over U.S. President Joe Biden's early leadership announcements. However, that makes it a great buy today, especially considering a yield of 3.08%.

Bottom line

Each of these stocks are some of the best dividend stocks to buy for high dividend yields. But they also allow for solid, stable returns in the decades to come. To reach $10,000 per year at these levels, it won't be cheap, but it's possible. Motley Fool investors would need to invest $79,470 in Brookfield, $40,312 in NorthWest, $29,715 in Pembina stock and $36,916 in Enbridge stock as of writing for a grand total of $186,413.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

5. TSX:PPL (Pembina Pipeline Corporation)

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