



3 Top Monthly-Paying Dividend Stocks to Boost Your Passive Income

Description

The rising inflation is a cause of concern, as it lowers the purchasing power of individuals. Many economists are predicting higher inflation levels over the next few years. So, one should supplement themselves with passive or secondary income to minimize the impact. Meanwhile, investing in monthly-paying [dividend stocks](#) would be a convenient and effective means to earn passive income in this low interest rate environment. If you are ready to invest, here are three top dividend stocks that pay dividends monthly at a healthier yield.

NorthWest Healthcare

Northwest Healthcare REIT ([TSX:NWH.UN](#)) is an [excellent stock](#) to have in your portfolio for income-seeking investors, given its stable cash flows and high dividend yield. It owns and operates highly defensive healthcare properties across several countries, thus enjoying stable cash flows. The company's long-term agreements with its tenants, inflation-indexed rent, and government-backed tenants offer stability to its financials.

Further, NorthWest Healthcare looks to increase its presence in Europe and Australia. Recently, it has acquired four medical facilities in the Netherlands and two hospitals in the United Kingdom. The company is also working on the Australian Unity Healthcare Property Trust deal, which has over \$320 million projects under construction. So, these investments could boost its cash flows in the coming quarters.

The company had also [strengthened its financial position](#) by raising over \$200 million in June. So, given its steady cash flows and healthy liquidity position, the company is well equipped to continue paying distributions at an attractive rate. Currently, it pays a monthly distribution of \$0.0667, with its forward yield standing at 6.08%.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)), which has been paying dividends uninterrupted since

1997, is another stock you should have in your portfolio. Overall, the company has rewarded its shareholders with \$10.1 billion in dividends. Thanks to its fee-for-service and take-or-pay contracts, the company's financials and cash flows are stable. Last year, the company had generated 94% of its adjusted EBITDA from these contracts, with the commodity rate fluctuations impacting only 6% of its adjusted EBITDA.

With the easing of restrictions, the economic activities around the world are improving, which could increase the oil demand and prices, benefiting Pembina Pipeline. The company has around \$900 million of projects under construction. Meanwhile, its financial position also looks healthy, with its cash and unutilized credit facility standing at \$1.68 billion. So, I believe Pembina Pipeline's dividend is safe. Currently, it is paying a monthly dividend of \$0.21 per share, with its forward yield standing at 6.53%.

TransAlta Renewables

My final pick is **TransAlta Renewables** ([TSX:RNW](#)), which has raised its dividends at a CAGR of around 3% since going public in August 2013. The company, which operates about 45 power-generating facilities, sells most of its power through long-term contracts, thus shielding its financials from fluctuations and generating stable cash flows.

Meanwhile, TransAlta Renewables has approximately 2.9 gigawatts of projects under evaluation. Further, the company also relies on strategic acquisitions to drive its financials. Since 2013, the company has made \$3.4 billion of acquisitions. Meanwhile, the company's financial position also looks healthy, with \$800 million of liquidity, including \$240 million of cash. So, the company is well funded to continue with its future acquisitions.

Along with these factors, the transition towards clean energy amid rising pollution levels could boost TransAlta Renewables's financials in the coming quarters. Meanwhile, it currently pays a monthly dividend of \$0.07833 per share, with its forward dividend yield standing at 4.71%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:RNW (TransAlta Renewables)

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Author

rnanjapla

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