Rising Food Prices: 2 Canadian Dividend Aristocrats to Combat Inflation

Description

Over the last few months, we have seen prices skyrocket across Canada, especially for essential goods. Gas prices are soaring, housing prices have been soaring, and now food prices are skyrocketing, with some items up more than 10% since last year. Massive inflation is never great for consumers, but luckily, we can combat inflation by owning high-quality Canadian Dividend Aristocrat stocks.

In general, inflation is good. Central banks target roughly 2% annual inflation over the long term. By slowly devaluing money, it incentivizes consumers to spend it today, since your cash will be worth less tomorrow.

When inflation gets out of control, though, you run into some significant problems, and living costs can rise rapidly.

This is why it's crucial that you put your money to work. Owning stocks, especially Canadian Dividend Aristocrats, is one of the best ways to help combat inflation.

As consumers, there is nothing we can do to control the price of goods. However, we can position our investments to benefit from inflation, so the net effect is much less.

So, with that in mind, here are two top Canadian Dividend Aristocrats to buy to help offset the effects of inflation.

A top energy stock to buy today

Owning dividend-growth stocks is crucial to help combat inflation. But some industries may not be able to keep up with the pace of inflation as well as others.

You don't have to worry about that with **Enbridge** (TSX:ENB)(NYSE:ENB) stock, though. The Canadian Dividend Aristocrat with a market cap north of $100 billion has been benefiting lately as energy prices have soared.

What's more important, though, is that Enbridge is one of the top Canadian companies you can feel comfortable owning for years. It's safe, offers excellent dividend growth, and has proven it can generate strong cash flow over the long run, even through significant dips in commodities prices.

Enbridge is one of the most important companies to our economy. Furthermore, it continues to position itself for future growth, as it expands its green energy portfolio.

These incredible operations allow Enbridge to pay a significant dividend, which currently yields almost 6.5%. Furthermore, that payout has been increased for over 25 years. Plus, it expects to grow its distributable cash flow per share by up to 7% until at least 2023.

So, if you're worried about the increasing impacts of rising inflation and want to help offset the effects, Enbridge is one of the best Canadian Dividend Aristocrats to buy today.

One of the oldest Canadian Dividend Aristocrat stocks

In addition to Enbridge, another excellent stock to buy today is **Fortis** (TSX:FTS)(NYSE:FTS). Fortis is one of the best utility stocks you can buy in Canada — an industry that's well known to be highly resilient and provide excellent dividend stocks.

It has a massive business with operations in 10 different jurisdictions that serve over three million customers. This makes its business highly diversified and helps lower risk significantly, making it another excellent stock you can buy and hold for decades.

Plus, the Canadian Dividend Aristocrat has increased its dividend for 47 consecutive years, showing just how consistent it is at not only earning a profit but growing its operations.

Today, the dividend yields roughly 3.85%, and Fortis expects that the dividend will grow by roughly 6% over the coming years.

So, if you're looking for a high-quality stock that will pay you increasing income each year and can help you offset inflation, Fortis is one of the best to consider.

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