



3 Canadian Dividend Aristocrats to Buy in 2022

Description

[Dividend stocks](#) are very commonly bought by investors as a way of building a source of passive income. When looking for dividend stocks to include in your portfolio, it would be a good idea to start looking through a list of Canadian Dividend Aristocrats. This is a list of companies that have raised their dividends for at least five consecutive years. In this article, I discuss three dividend aristocrats investors should buy in 2022.

This recession-proof company should be at the top of your list

One quality that investors tend to appreciate about dividend stocks is that they are less volatile during periods of economic uncertainty. However, investors can do one better and invest in dividend companies that are recognized as recession-proof businesses. These are businesses that are not known to see any decrease in demand during recessions. A perfect example of this would be **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Regardless of what happens to the economy, we will continue to need electricity everyday.

As a dividend stock, few are as impressive as Fortis. It holds a 47-year dividend growth streak. That gives it the second longest active dividend growth streak on the **TSX**. The next longest dividend growth streak is more than a decade and a half shorter. In order for a company to continue raising dividends for nearly five decades, its management team needs to be world class. At the start of the COVID-19 pandemic, many dividend stocks saw cuts or suspensions to their dividends. Fortis is always going to be my top dividend stock.

The third largest railway company in North America

As it stands, we have no way of transporting large amounts of goods long distances if not by rail. This means that the railway industry will continue to be relied upon for the foreseeable future. In Canada, two companies hold a duopoly in the railway industry. Of those two companies, I believe Canadians would do well with either. However for the purposes of this article, I'll be focusing on **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)).

It's the largest railway company in Canada in terms of amount of track and revenue. Currently, Canadian National's rail network spans nearly 33,000 kilometres. It stretches from British Columbia to Nova Scotia and as far south as Louisiana. Canadian National's revenue is actually so impressive that it places the company as the third largest in North America by that metric. Canadian National's forward dividend yield isn't amazing (1.57%). However, with a dividend growth streak of 25 years and a low payout ratio (36.5%), you can bet that its dividend will continue to grow over the coming years.

More than a telecom company

Telus ([TSX:T](#))([NYSE:TU](#)) is a lot more interesting than people may realize. It's most well-known for its large telephone coverage in Canada. In fact, it offers phone users the largest coverage area of all telecom providers. Currently, Telus' coverage area reaches 99% of the Canadian population. However, there's another aspect of its business that could drive growth over the next decade, that's its Telus Health business segment. Through Telus Health, the company provides a range of professional and [personal health](#) products.

Currently, Telus' dividend growth streak stands at 17 years. That puts it in the top 20 in terms of longest active dividend growth streaks in Canada. Investors should also be pleased to know that Telus stock offers a very attractive 4.44% forward dividend yield. This is one dividend stock that income investors should really consider.

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2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TU (TELUS)
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Author

jedlloren

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