3 Rewarding Dividend Stocks to Set You Up For 2022

Description

Kickstarting the new year with dividend stocks that can augment your primary income is a good idea. Even if you don't need to supplement your income, the additional cash-generating resource is always a good thing to have.

There are three dividend stocks that you should consider buying in 2022.

An airline business aristocrat

Exchange Income Fund (TSX:EIF) has proven its resilience during the 2020 market crash. Despite falling over 60% during the pandemic, the stock didn't just recover but flew over its pre-pandemic valuation in one instance. What's even more impressive is that despite the stock's association with the airline businesses in Canada and around the world, the company managed to maintain and sustain its payouts.

The yield became quite aggressively potent during the early days of the pandemic and when recovery was barely underway. But even now, after a splendid recovery, EIF is offering a juicy 5.4% yield. If you can divert just $10,000 into the company, you can start a $45 monthly income. That is enough to take care of some small expenses. The company is healthy from a capital preservation aspect as well.

A grocery-anchored REIT

REITs are well known for their generous dividends, but they also tend to play fast and loose with payout sustainability, especially compared to other businesses. So, you have to look for markers of sustainability, one of which is the business model. That's where **Slate Grocery REIT** (TSX:SGR.U) stands out.

Not only are almost all of its properties grocery-anchored, it's a business that performs well even during recessions and market crashes. It also has a geographically diversified portfolio. It has 107 properties spread over 23 U.S. states, and well-known names like Kroger and Walmart make up about

14% of its clientele collectively.

The REIT is currently offering a 6.1% yield which can offer you a monthly income of about $50 with just $10,000 invested.

A non-bank mortgage lender

Commercial real estate investors usually have trouble getting mortgage/investment loans from conventional lenders like banks. Companies like **Timbercreek Financials** (TSX:TF) fill that gap. Since they offer financial backing where banks don't, they get to charge a premium, but they also carry a higher risk.

These risks can be mitigated quite significantly by vetting the mortgage/loan applications with great scrutiny and by building a healthy portfolio. Timbercreek Financials has de-risked by focusing on income-producing properties like multifamily residentials. It also mitigates its risk by structuring relatively short-term loans.

The company is currently offering a mouthwatering 7.1% yield, which at a $10,000 capital investment, results in a monthly income of $59.

Foolish takeaway

The three dividend stocks can offer you a collective monthly income of about $154, with $30,000 invested. And it can be a tax-free income if you keep these investments in your TFSA. If you don't want to use the capital to meet your expenses, you can pool it for investment. That's a yearly dividend income of over $1,800, which is about one-third of TFSA's yearly contribution room.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:SGR.U (Slate Retail REIT)
3. TSX:TF (Timbercreek Financial Corporation)

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