



Passive Income: Earn \$180/Month in Dividends

Description

Canadians can stay ahead of inflation in 2022 by investing in dividend beasts to earn handsome [passive income](#). **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Doman Building Materials Group** ([TSX:DBM](#)) average 6.745% in dividends. A \$16,100 position in each company will earn a combined dividend of \$180.99 every month.

Dividend stocks grow in importance during inflation periods than growth stocks. Hence, Enbridge and Doman should appeal to income investors. Both stocks are instant protection from inflation because of their [high returns](#). While the stocks aren't immune from spikes and dips, the dividend payments help reduce volatility on the total return.

Ultimate investment

Enbridge is the [ultimate investment](#). The \$97.41 billion energy infrastructure company is super reliable due to its 27 years of consecutive dividend growth. At \$52.61 per share (+6.8% year to date), the dividend yield is 6.58%. Its President and CEO Al Monaco said the strong execution of its strategic priorities in 2021 provides a solid foundation for 2022 and Enbridge's three-year outlook.

Monaco said the high utilization of the assets last year reflects strong end-user demand and Enbridge's critical role in delivering reliable and affordable energy. He added that the \$10 billion growth capital that went into service in 2021 will generate significant cash flow growth in 2022. The company should also have the additional financial capacity to grow the business.

Monaco further said, "One of our mantras at Enbridge is the disciplined deployment and allocation of capital." Management looks forward to its three-year planning horizon and expects an annual investment capacity of \$5 billion to \$6 billion. The priorities are on core low capital intensity and utility-like investments.

Enbridge is fully aware that its assets will be a vital source of energy supply for decades to come. The company is also excited about the low-carbon investment opportunities in the future. In late November 2021, the company announced it's entering a memorandum of understanding with **Capital Power**.

The companies will jointly evaluate and advance Alberta's carbon capture and storage (CCS) project. Capital Power will be the CO2 provider, while Enbridge will provide the transportation and storage services. With its secured capital program and revenue escalators, management aims to grow dividends by around 5-7% annually through 2024.

Steady performer

Doman Building Materials isn't as popular as Enbridge, but it's not a mediocre stock. Investors are satisfied with the total return of 130.27% (31.82% CAGR) in the last 3.02 years. In 17.39 years, DBM's overall return was 853.34% (13.59% CAGR). The share price is \$8.46 (+7.8% year to date), while the dividend yield is 6.91% if you invest today.

The \$733.37 million company is the leading distributor of building materials in Canada. Doman is also one of the largest producers of pressure-treated lumber products in North America. Management has yet to report its full-year 2021 results, although business thrived last year.

Amar S. Doman, chairman of the board, was pleased with how the company's growth strategy continues to unfold. In Q3 2021, management reported record sales and a 34% revenue growth versus Q3 2020. On January 14, 2022, the dividend payment was the 47th consecutive quarter that Doman paid dividends as a corporation.

Profitable combo

The combo of dividend beasts, Enbridge and Doman, could produce a passive income of \$180 per month or more in 2022.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:DBM (Doman Building Materials Group Ltd.)
3. TSX:ENB (Enbridge Inc.)

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