2 Attractive Dividend Aristocrats to Buy Today

Description

Dividend stocks can be great assets to hold in a portfolio. By holding enough shares of excellent dividend companies, investors are able to create a strong source of passive income. Eventually, these streams of passive income could grow to replace the income one would receive from their job, allowing them to spend more time on things that they'd rather do.

As an added bonus, it's previously been shown that dividend stocks tend to withstand market downturns better than growth stocks. This has been proven true once again, this year, as many dividend stocks have been able to increase in value or trade flat, whereas many popular growth stocks have fallen more than 30%.

It's important to note that not all dividend stocks are made equally. The best dividend stocks are known as Dividend Aristocrats. In Canada, this is a title given to companies that have been able to increase their dividend distributions for at least five consecutive years. In this article, I discuss two Dividend Aristocrats that investors should buy today.

A top dividend stock for your portfolio

When it comes to Dividend Aristocrats, few are as attractive as **Fortis** (TSX:FTS)(NYSE:FTS). It has managed to increase its dividend distribution in each of the past 47 years. That gives Fortis the second-longest active dividend-growth streak in Canada. To put this into perspective, the next longest dividend-growth streak is a decade and a half shorter than Fortis's.

One reason Fortis may have been able to increase its dividend so consistently over the years is because its revenue is very predictable. Fortis provides regulated gas and electric utilities to 3.4 million customers across Canada, the United States, and the Caribbean. Utility demand doesn't tend to decrease during periods of economic uncertainty. This allows Fortis to keep its business running smoothly through events like recessions.

If you’re looking for a stock that could continue to increase its dividend over the coming years and provide stability during recessions, look no further than Fortis.

A proven performer

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is another excellent dividend stock that investors should consider adding to their portfolio. With about $690 billion of assets under management, Brookfield is one of the largest alternative asset management firms in the world. Through its subsidiaries, this company has exposure to the infrastructure, real estate, renewable utility, and private equity markets.

Brookfield isn’t considered a growth stock by many. However, this Dividend Aristocrat has been able to beat the **TSX** over the long run by a wide margin. Since August 1995, Brookfield stock has grown at a CAGR of about 15.5%, when dividends are included. Over the same period, the TSX has gained about 6%. That means that Brookfield’s performance has nearly tripled that of the TSX over the past 27 years. If you’re interested in a dividend stock with a bit of growth potential, Brookfield Asset Management would be a great choice for you.

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