



## Dividend Aristocrats: The Best Stocks for Beginners

### Description

It's never easy being a beginner. It's even more overwhelming when you're trying to invest for the first time during a market downturn. With stock prices falling and a potential recession on the horizon, new investors need to seek out stocks that strike the perfect balance between risk and reward.

I believe Dividend Aristocrats strike this balance. Here's why these special [dividend stocks](#) should be on your watchlist for the rest of 2022.

### What is a Dividend Aristocrat?

A Dividend Aristocrat is a stock that consistently raises dividends for a prolonged period. If a company can raise shareholder rewards every year for several years, it's likely to deliver exceptional returns over the long term. Such companies have a combination of high pricing power, excellent management, and favourable economics. That's why your portfolio needs at least some exposure to Dividend Aristocrats.

Here are a few Dividend Aristocrats that deserve your attention right now.

### Enbridge

Pipelines are, perhaps, the least-volatile segment of the energy market. Setting up infrastructure is expensive and usually takes several years, but once the network is active, it's a cash flow machine. That's why Canada's major pipeline operators are some of the best dividend stocks on the market.

The biggest player in the sector is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The company's network of oil and gas pipes has seen tremendous volume this year as North America rebounds from the pandemic. In fact, the volume has jumped higher than expected as Canada and the U.S. export energy to Europe to plug the gap left by Russia.

Enbridge is on track for steady cash flow growth over the next few months. In fact, the management

team expects dividends to rise 5-6% every year for the next few years. That would extend Enbridge's 67-year track record of consistent dividend growth.

Investors seeking a safe passive-income opportunity should certainly keep an eye on this Dividend Aristocrat.

## BCE

The recent Canada-wide network outage should make it clear that telecom companies are essential utilities. Everything from bike share hubs to the emergency 911 service relies on a network dominated by three big players.

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is the biggest of them all. Canada's largest telecom giant has never suffered a nationwide outage. It's also on track to complete significant upgrades to the network that should improve speed and security for millions of subscribers. Put simply, BCE has a chance to further entrench its market dominance now.

This position has delivered remarkably stable cash flows for decades. BCE has consistently raised its dividend since 1949. At the moment, BCE stocks offers a 5.8% dividend yield and trades at just 19 times earnings per share. If you're a beginner with \$1,000 to invest, this telecom giant should be on your radar.

## Bottom line

Dividend Aristocrats — companies with consistent dividend growth — are a powerful tool for wealth creation. New investors should focus on these stocks for steady returns.

## CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:BCE (BCE Inc.)
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