



## Warren Buffett Generates Most of His Dividend Income From These 5 Stocks

### Description

Warren Buffett is among the most popular investors globally. Also called the Oracle of Omaha, Buffett is the CEO of **Berkshire Hathaway** ([NYSE:BRKA](#))([NYSE:BRKB](#)), a diversified company that has exposure to several stocks on Wall Street.

Berkshire Hathaway owns multi-billion-dollar stakes in several dividend-paying companies. [Dividend-paying stocks](#) generate consistent profits and allow investors to earn a passive income stream.

In the next 12 months, [Warren Buffett](#) is all set to earn a whopping US\$6 billion via dividend income. Over 70% of this income will be derived from these five stocks.

### Chevron

Berkshire owns 163.5 million shares of energy giant **Chevron** ([NYSE:CVX](#)), which translates to annual dividend payouts of US\$928.7 million. Warren Buffett has increased his stake in Chevron by a significant margin over the last year due to rising oil prices.

In fact, he expects oil and gas prices to remain above average in the medium term due to geopolitical tensions and supply chain constraints. But Buffett is not only investing in the medium-term energy price rise. Buffett is a long-time fan of Chevron, which operates midstream and downstream assets, including pipelines.

In the last 10 years, Chevron has increased its dividends by 4.7% annually despite the volatility in commodity prices.

### Bank of America

Berkshire Hathaway owns 1 billion shares of **Bank of America** ([NYSE:BAC](#)), allowing the company to generate US\$916 million in annual dividends.

Bank stocks are cyclical, and shares of Bank of America have declined by 40% from all-time highs. While banks might underperform during periods of uncertainties, the economy generally expands for a larger amount of time compared to contracting.

Additionally, the company is well poised to benefit from higher interest income on its variable-rate loans in the current environment.

The forward yield offered by BAC stock is close to 3% making it attractive to income-seeking investors.

## Occidental Petroleum

Another Buffett favourite in 2022, **Occidental Petroleum** ([NYSE:OXY](#)) will help Berkshire earn more than US\$100 million in annual dividend payouts. But Berkshire also owns around US\$10 billion worth of preferred stock of the energy company, allowing the company to earn another US\$800 million in dividends each year.

Similar to Chevron, Occidental Petroleum is an integrated company, but its operations are focused heavily on drilling.

## Apple

**Apple** ([NASDAQ:AAPL](#)) is the largest holding of Berkshire Hathaway and accounts for 40% of the latter's portfolio. Buffett began buying shares of Apple in 2015 and now has 915.2 million shares of the tech heavyweight worth a staggering US\$130.9 billion. Due to its forward yield of 0.66%, Apple stock will generate over US\$837 million in annual dividends for Buffett.

Apple is one of the largest companies in the world and continues to expand its ecosystem. Until a few years back, it was a hardware company that sold smartphones, laptops, and tablets. But the Services business is Apple's fastest-growing segment and a key driver of top-line growth for the tech heavyweight.

## Coca-Cola

The final stock on my list is **Coca-Cola** ([NYSE:KO](#)), one of Buffett's oldest investments. Berkshire owns 400 million shares of the beverage giant, translating to annual dividends of US\$704 million. A global brand, Coca-Cola is also recession-resistant and enjoys significant pricing power due to its marketing prowess.

It currently offers investors a dividend yield of 3.23%.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:BAC (Bank of America)
3. NYSE:BRK.B (Berkshire Hathaway Inc.)
4. NYSE:BRKA (Berkshire Hathaway Inc.)
5. NYSE:CVX (Chevron Corporation)
6. NYSE:KO (The Coca-Cola Company)
7. NYSE:OXY (Occidental Petroleum Corporation)

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