3 Safe Dividend Stocks Yielding Up to 5.1%

Description

If you're looking for dividend stocks, then you should be focusing on safe, reliable companies. After all, the whole point of dividend investing is to sit back, pay little attention to your holdings, and wait for your cheque in the mail. If you constantly have to fret about a dividend cut, then that defeats the whole purpose.

On that note, below are three companies you can actually count on for at least 10 years. We start by looking at the lowest dividend yield, and finish by viewing the highest.

1. TD Bank

For any Americans reading this, no this is not a mistake. Here in Canada, the banks really are a reliable source of dividends and **Toronto-Dominion Bank** (TSX: TD)(NYSE: TD) is a perfect example. Even during the financial crisis, TD was able to sail by relatively unscathed, thanks to a decision to exit the U.S. subprime mortgage business.

Fast forward to today, and TD is in better shape than ever. Last year, it reported a return on equity of 46.8% in its Canadian banking segment, an indicator of just how profitable it is to offer bank accounts and loans to Canadians. TD's numbers are not as strong in the United States, but will benefit from a rebound in loan activity and interest rates south of the border.

In the meantime, TD is very well capitalized, with a Basel III Common Equity Tier 1 (CET1) ratio of 9.2%. Investors should feel that their dividend, currently yielding 3.4%, is safe.

2. Thomson Reuters

The past few years have been very turbulent for shareholders of **Thomson Reuters** (TSX: TRI)(NYSE: TRI). First came the merger between Thomson and Reuters in 2007, which could not have come at a worse time, right before the financial crisis. Then came the botched release of Eikon, which has allowed rival **Bloomberg** to steal market share.

But Thomson still makes money off of subscription-based products, so revenue is fairly stable. And its largest money maker, the legal division, has held up very well. Thomson is also getting a grip on costs, which is helping to boost margins. So investors should feel very secure with their 3.6% dividend.

3. BCE

The past year has seen plenty of headlines about Canada's telecommunications industry and seemingly all of them would make investors nervous. But like Thomson, Canada's big three telcos make money off of subscriptions, meaning that revenue is very stable and dividends are very secure.

And currently the highest yielding of the big three is **BCE Inc** (TSX: BCE)(NYSE: BCE) at 5.1%. So if you're looking for a nice payout, but don't want to worry about a cut, this may be your best bet.

CATEGORY

1. Investing

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1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:BCE (BCE Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRI (Thomson Reuters)

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