3 Growing Dividends You Should Buy Today

Description

When looking for dividend stocks, it can often be tempting to go for the highest yields. But this strategy can easily lead to trouble, as these dividends are often on shaky ground. Instead, you should look for companies whose dividends are growing. They may not be the highest yielders now, but still make for more sound investments.

Three such companies are highlighted below.

1. Telus Corporation

If you're looking for solid, stable dividends, the Big 3 telecommunications providers are a great place to start. All of them make money off subscriptions, which helps keep earnings smooth, perfect for paying a big dividend. It also doesn't hurt that these companies face limited competition and are protected by high barriers to entry.

And **Telus Corporation** (TSX: T)(NYSE: TU) is easily the strongest company out of the three. There are numerous metrics that back this up. Telus leads the pack in wireless subscriber additions, and has the lowest churn rate. It also leads in lifetime value per subscriber. And its revenue is growing faster than that of peers.

Best of all, Telus' dividend has skyrocketed in recent years; over the past decade, its payout has increased by 400%. And if you buy the shares today, you get a 3.9% yield, not bad for a company with such a strong track record.

2. Canadian Natural Resources Ltd.

If you're looking for big dividends, there are plenty of energy companies that fit the bill. But you're better off going with a company like **Canadian Natural Resources Ltd.** (TSX: CNQ)(NYSE: CNQ), even though its dividend only yields 2.2%.

CNRL has, over the years, built up a fantastic reputation for cost control and capital allocation. In plain English, the company doesn't spend too much money. And when it does spend, it's in the right places.

As a result, its shares have returned 17% per year over the past 15 years. And over the past decade, the dividend has increased by 800%. A track record that long can't be chalked up to luck.

Better yet, CNRL's dividend is very affordable. At $0.90 per share per year, the payout equals less than half of 2013's earnings per share. So there's plenty of room for the dividend to be increased further.

3. Fortis Inc.

If you're looking for a consistently rising dividend, look no further than **Fortis Inc.** (TSX: FTS), Canada's largest investor-owned distribution utility. The company has managed to raise its dividend every year for over four decades. Over this time, there have been wars, financial crises, and recessions — but no matter. We all still need to keep the lights on, and Fortis continues to generate plenty of cash flow.

Fortis' dividend currently yields a respectable 3.7%. Again, you can find higher yields if you really want to. But this is still a very strong yield for a company with this kind of track record.

There are other companies with a strong dividend history you should consider for your portfolio. Three are profiled in the free report below.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:TU (TELUS)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:FTS (Fortis Inc.)
5. TSX:T (TELUS)

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bensinclair