



Create Your Own Pension Plan With These 3 Monthly Paying Dividend Stocks

Description

One of the most interesting changes I've seen in my time as an investor is the rise of dividend growth investing.

There are a few factors leading to this, at least from my perspective. First off, I think dividend growth investing has always been popular. It was just marketed differently. Instead of praising companies for continuously raising dividends, Canada's largest and most trusted names were recommended because of the security they offered. Remember, a rising dividend is only possible because of consistent growth in profits.

The Great Recession also helped cement the popularity of dividend growth. As high-flying tech companies and dodgy banks flirted with bankruptcy, dividend growth stocks help up relatively well. Stability is important, especially for risk-adverse investors.

And finally, I think demographics play a huge role. As Canada's 9.6 million baby boomers are approaching retirement age, they're looking for stable investments that can provide predictable cash flow for their golden years. Many don't have pensions, and interest rates from GICs are anemic at best. This makes dividend growth investing a logical alternative.

Out of the thousands of stocks in North America, it's tough for an investor to narrow it down to the best dividend payers. Here are 3 that not only have solid, sustainable dividends, but also pay out monthly.

Shaw Communications Inc.

There aren't many businesses more steady than **Shaw Communications Inc.** ([TSX: SJR.B](#))([NYSE: SJR](#)), which provides more than 3 million Canadians with telephone, internet, and television services.

Even though Shaw is feeling a bit of a pinch from some of its customers cutting cable, it still has enough pricing power to more than make up for it by increasing prices to everyone else. It also just completed a network of more than 45,000 wifi hotspots that give its customers access to fast, reliable internet away from home. This is a nice perk, especially for those of us who are addicted to our smartphones.

Shaw's current dividend yield is 3.6%. It has delivered an annual dividend hike since 2003, and has increased its monthly payout from 1.16 cents per share per month in 2005 to 9.16 cents per month currently. The pace of growth has slowed over the past few years, but investors can still expect Shaw to deliver an annual dividend increase of about 5% annually.

RioCan Real Estate Investment Trust

RioCan Real Estate Investment Trust ([TSX: REI.UN](#)) is Canada's largest REIT, with a market capitalization of \$8.3 billion. The company owns 340 different retail complexes across North America, totaling almost 80 million square feet in total space.

This creates a company with an incredibly diverse revenue stream. RioCan's largest tenant, **Loblaw Company**, only accounts for 4% of its total revenue. Even its top 10 tenants only account for 26% of its top line.

This diversification is one of the main reasons RioCan hasn't missed a dividend payment since listing on the Toronto Stock Exchange. Shares currently yield 5.3%, and although the distribution has been steady since 2009, there are rumblings management is considering a dividend increase.

Cineplex Inc.

Cineplex Inc. ([TSX: CGX](#)) is Canada's largest chain of movie theaters, controlling a 79% share of the market. That's the kind of dominance every investor should have in their portfolio.

Investors often worry about the future of movie theaters, especially in this world of pirating and streaming video online. And sure, those are threats, but there's still nothing that beats going to a theater and enjoying a flick with a tub of popcorn. Canadians seem to agree — they went to the movies 77 million times in 2013, and an additional 5.8 million are members of Cineplex's loyalty program.

This all translates into a nicely growing dividend. Since the end of 2010, Cineplex has rewarded investors with 4 dividend hikes, growing the payout from 10.5 cents per share per month to today's level of 12.5 cents per share. The stock yields 3.4% today, but could easily increase to the point where you'd have a yield on cost approaching 5% in just a handful of years.

Looking for more dividend stocks? We've got you covered. Just check out our FREE report below.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)

2. TSX:CGX (Cineplex Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)
4. TSX:SJR.B (Shaw Communications)

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