

3 Dividend-Growth Stocks to Buy and Hold Forever

Description

As most investors know, dividend-paying stocks far outperform non-dividend-paying stocks over the long term when participating in a dividend reinvestment plan. This means that every long-term investor should own at least one dividend-paying stock, and depending on your age and investment goals, maybe a diversified portfolio full of them. With this in mind, let's take a look at three stocks with yields up to 4.6% and track records of increasing their payouts that you should consider buying today.

1. Pembina Pipeline Corp.: 4.6% yield

Pembina Pipeline Corp. ([TSX:PPL](#))([NYSE:PBA](#)) is one of the leading transportation and service providers to North America's energy industry. It pays a monthly dividend of \$0.1525 per share, or \$1.83 per share annually, giving its stock a 4.6% yield at today's levels. Pembina has also increased its dividend for four consecutive years, making it one of the top dividend-growth stocks in the energy sector today, and as long as commodity prices recover over the next 12 months, I think this streak will continue in 2016.

2. Bank of Nova Scotia: 4.1% yield

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada. It pays a quarterly dividend of \$0.68 per share, or \$2.72 per share annually, which gives its stock a 4.1% yield at current levels. The company has also increased its dividend for five consecutive years, making it one of the top dividend-growth plays in the financial sector, and its consistent free cash flow generation could allow for another increase in the second half of this year.

3. Fortis Inc.: 3.8% yield

Fortis Inc. ([TSX:FTS](#)) is one of the largest electric and gas utilities companies in North America. It pays a quarterly dividend of \$0.34 per share, or \$1.36 per share annually, giving its stock a 3.8% yield at today's levels. Fortis has also increased its annual dividend payment for 42 consecutive years, the record for a public corporation in Canada, and its increased amount of free cash flow could allow this streak to continue for many more years.

Which of these dividend dynamos belong in your portfolio?

Pembina Pipeline, Bank of Nova Scotia, and Fortis are three of the top dividend-growth plays in the market today. All long-term investors should take a closer look and strongly consider establishing positions in one or more of them.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks

4. Investing
5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)
5. TSX:PPL (Pembina Pipeline Corporation)

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