

Keep These Stable Dividends for Life

Description

It is always incredibly difficult to predict the next market collapse. From a birds-eye view, there are some areas of concern for the Canadian stock market. Canadian household debt as a percent of household income is higher than ever, the mortgage credit market has been slowing down (a bad sign for the housing market), and **Deutsche Bank** recently released a report saying that the housing market is over 60% overvalued.

Even through tough times, however, there are still companies out there that have a proven history of providing stable and reliable income streams to investors. Here are three of the best:

Great-West Lifeco Inc.

With a 20+ year dividend history, **Great-West Lifeco Inc.** ([TSX:GWO](#)) is a classic example of an under-appreciated dividend payer. The company has various insurance and asset-management companies in Canada, the United States, Europe, and Asia. The majority of its profits stem from life insurance, health insurance, retirement savings, investment management, and reinsurance.

Even during the entire financial crisis, Great-West never cut its dividend. Just this year the company boosted the per-share payout from \$1.23 a year to \$1.32, resulting in a 3.54% yield. With record profits and a proven ability to support the dividend during economic turmoil, Great-West deserves more attention from income seekers.

Telus Corporation

With a dividend-payment history also stretching back to the previous century, **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) has shown a recent ability to grow its dividends at an impressive rate. The company has been providing communication services for over 100 years, although its wireless segment is now its bread and butter.

In its wireless segment, Telus has a reputation for high customer retention and shows a high profit margin per customer with a growing client base (up 3.8% to 8.1 million). All of this has resulted in one of the strongest dividend-growth performances over the past 10 years, with a current yield over 4%. Even after growing the dividend every year in the past decade, the stability of the Canadian market combined with Telus's superior capital management should allow for further increases.

Power Corporation of Canada

As a conglomerate, the **Power Corporation of Canada** ([TSX:POW](#)) is often overlooked given its disparate businesses. It holds numerous investment stakes in a variety of Canadian businesses, including Great-West. Its industries of interest span cement, oil and gas, electricity, environmental services, water and waste management services, as well as wines and spirits. The company is run by Paul Desmarais, who some have dubbed the Warren Buffett of Canada.

As with the previous companies listed in this article, Power Corporation has an incredibly long dividend history. Since 1999, the company has never been forced to lower its payment, and recently raised it by over 7%, resulting in a 3.83% yield.

To support the dividend, EPS has grown by nearly 50% in the past five years. With a well-respected, long-term investor at the helm, expect Power Corporation to grow the dividend and continue to compound investor capital.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:POW (Power Corporation of Canada)
4. TSX:T (TELUS)

Category

1. Dividend Stocks
2. Investing

Date

2025/08/27

Date Created

2015/06/17

Author

rvanzo

default watermark