# The 3 Safest Dividends Yielding at Least 4%

## Description

If the last 12 months has taught us anything about dividend investing, it's that you shouldn't chase the highest yields. After all, these dividends typically come from shaky companies. Worse still, many firms pay more to shareholders than they make in income.



But if you look hard enough, you can still get a 4% yield without taking outsized risks. On that note, below are three of the safest dividends yielding at least this much.

### 1. RBC

This is undeniably a scary time to be buying the banks. Canada's economy is likely in recession, interest rates have been cut twice this year, and the country's housing market is due for a correction. To top it all off, consumer debt remains at record levels, and competition from financial-technology companies is intensifying.

But the Big Five banks are still some of Canada's best dividend stocks. None of them have cut their dividends since World War II, and they are all well capitalized. They also have a conservative culture, having just gone through the financial crisis.

**Royal Bank of Canada** (TSX:RY)(NYSE:RY) is the largest of the Big Five, and one of the best dividend stocks on the **S&P/TSX 60**. It pays a dividend of $0.77 per quarter, good enough for a 4.1% yield, but still has only 48% of trailing earnings per share. So, even if the company slips up a little, its dividend is still very affordable.

### 2. TransCanada

At first glance, energy pipeline operator **TransCanada Corporation** (TSX:TRP)(NYSE:TRP) seems like a risky stock in this environment. But the opposite is true.

TransCanada's pipelines are typically secured by long-term contracts, leaving the company unexposed to commodity prices. Better yet, transporting oil by pipeline is safer and more economic than crude by rail.

So, TransCanada should have no trouble meeting its goal of 8% dividend growth through 2017. And in the meantime, its payout yields a solid 4.5%.

**3. Rogers**

**Rogers Communications Inc.** (TSX:RCI.B)(NYSE:RCI) has had its fair share of struggles over the last couple of years. Subscribers have grown tired of the company's substandard customer service, and as a result the company is losing market share. The company is also facing pressure in its cable TV business as subscribers opt for Internet-based video offerings instead.

Yet Rogers's revenue has remained remarkably stable throughout, and even increased by 6% year over year in the most recent quarter. And earnings will get a nice long-term boost as Canadians crave greater amounts of mobile data. So, the dividend, which currently yields 4.2%, is absolutely safe.

**CATEGORY**

1. Dividend Stocks
2. Investing



**TICKERS GLOBAL**

1. NYSE:RCI (Rogers Communications Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TRP (Tc Energy)
4. TSX:RCI.B (Rogers Communications Inc.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:TRP (TC Energy Corporation)

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