

Dividend Seekers: 2 Income Stocks That Won't Let You Down

Description

Many investors use dividends to supplement gaps in their income. This is especially true among seniors who often find it difficult to make ends meet as their cost of living rises faster than the increase to their pension checks.

When looking for dividend stocks to provide income, it is important to choose companies with strong track records of paying regular and rising payouts supported by higher earnings.

Here are the reasons why I think income investors should consider **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) and **Fortis Inc.** ([TSX:FTS](#)).

Telus

Telus has invested heavily in its strategy to offer the best customer service in the industry, and the effort is paying off.

The company has the lowest mobile churn rate in the sector and regularly earns the most per mobile customer. Apparently, happy customers stick around and spend more money.

Telus is also racking up good numbers on the wireline side of the business. In Q2 2015 the company increased its high-speed Internet subscriptions by 6% and saw a 10% jump in Telus TV customer compared with Q2 2014.

Telus pays an annualized dividend of \$1.68 per share that yields 3.8%. The company has raised the distribution 11 times in the past five years, and investors should see the strong trend continue.

Fortis

The electricity generation and natural gas-distribution industries might not be overly exciting, but income investors want reliability, not entertainment.

Fortis operates facilities in the United States, Canada, and the Caribbean. About 93% of the company's revenue comes from regulated assets, so revenue and earnings tend to be predictable.

Fortis continues to grow. Last year the company spent \$4 billion to buy Arizona-based UNS Energy. This year, the company completed a new hydroelectric project in British Columbia. Those assets are already adding revenue.

Management also decided to take advantage of strong market conditions earlier this year to sell off the company's real estate assets. There's nothing wrong with locking in gains when times are good.

Fortis recently increased its quarterly dividend to \$0.375 per share. The company has raised the payout every year for more than four decades, and the strong performance should continue.

Today, the dividend offers investors a yield of 3.8%

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:FTS (Fortis Inc.)
3. TSX:T (TELUS)

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