



3 Quality Dividend Stocks for New Investors

Description

There are hundreds of stocks to choose from. New investors may wonder where to begin. Well, dividend stocks are typically more stable than non-dividend stocks. Further, dividend stocks generally provide higher returns in the long term. And dividend-growth stocks tend to perform even better than stocks that pay a dividend but don't increase it.

Here are three dividend-growth stocks you can start with.

Utility

Fortis Inc. ([TSX:FTS](#)) is one of the top utilities and one of the top dividend-growth stocks in Canada. It has paid growing dividends for 41 years in a row.

It recently increased its dividend by 10.3%. It now pays out 37.5 cents per share, per quarter, and yields close to 4% at about \$38 per share.

Fortis is primarily a regulated utility. Although that means its upside is capped, it also means that its returns are more predictable, and it's a low-risk investment.

Telecom

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is one of the Big Three telecoms in Canada.

It's uncommon for Telus to have a yield above 4%, but now you can buy its 4.2% yield at about \$42 because it just raised its quarterly dividend to 44 cents per share.

In fact, Telus has consistently increased dividends since 2004. For the last five years it has averaged dividend increases of about 10% per year.

Why is it able to do that?

Telus buys back and cancels its common shares. Over the last decade, its share count has reduced by 14.4%. So, if you bought the shares 10 years ago and didn't buy any more, you would have received

growing income, and your stake in the business would have grown.

Bank

Canadian banks are of the most solid, stable banks in the world. **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is the third-largest bank in Canada.

Although the bank has been lagging behind the other Canadian banks in the last five-year period, Bank of Nova Scotia provides the highest yield of the bunch. It yields close to 4.6% at about \$61.50 per share. If a regular income is important to you, then the bank's higher yield will generate a slightly higher income for you.

With a quarterly dividend of 70 cents per share, Bank of Nova Scotia is paying out 6% more dividends than it was a year ago. As a matter of fact, if you had invested in it 10 years ago, your income from its dividends would have more than doubled, increasing by 106% to be exact.

In conclusion

Fortis, Telus, and Bank of Nova Scotia are quality dividend stocks with solid balance sheets. They have S&P credit ratings of at least BBB+.

They have a history of becoming more profitable over time. That's why they have a track record of growing dividends, so shareholders' income continues to grow every year.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TU (TELUS)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)
5. TSX:T (TELUS)

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