



3 Diversified Stock Picks for Monthly Dividend Income

Description

The market has been getting hammered in 2016, so many investors are turning to dividend stocks for safety. If you are one of these investors, but cannot find the right stock to buy, this article is for you. I've scoured the market and selected three of my favourite stocks from different industries that pay dividends on a monthly basis, so let's take a quick look at each to determine which would fit best in your portfolio.

1. Northland Power Inc.

Northland Power Inc. ([TSX:NPI](#)) is one of Canada's largest producers of electricity using clean and renewable energy sources. It currently pays a monthly dividend of \$0.09 per share, or \$1.08 per share annually, which gives its stock a 6.2% yield at today's levels.

Investors must also note that Northland Power has maintained its current annual rate since 2009, but I think its increased amount of free cash flow, including 19.5% year-over-year growth to \$147.9 million in the first nine months of fiscal 2015, could allow it to explore the option of increasing its dividend in 2016.

2. Chartwell Retirement Residences

Chartwell Retirement Residences ([TSX:CSH.UN](#)) is the largest owner of senior housing communities in Canada. It currently pays a monthly distribution of \$0.0459 per share, or \$0.5508 per share annually, which gives its stock a 4.6% yield at today's levels.

Investors should also note that Chartwell raised its distribution by 2% in March 2015, and I think its increased amount of funds from operations, including 2.9% year-over-year growth to an adjusted \$98.5 million in the first nine months of fiscal 2015, and its low payout ratio, including 74.3% in the first nine months of fiscal 2015 compared to 74.5% in the same period of fiscal 2014, could enable another small increase in 2016.

3. Bird Construction Inc.

Bird Construction Inc. ([TSX:BDT](#)) is one of Canada's largest general contractors. It currently pays a

monthly dividend of \$0.0633 per share, or \$0.76 per share annually, which gives its stock a 6.6% yield at today's levels.

Investors must also note that Bird Construction has maintained this annual rate since 2014. However, I think its increased amount of cash flow from operations before changes in non-working capital, including 22.2% year-over-year growth to \$53.4 million in the first nine months of fiscal 2015, and its \$177.4 million in cash and cash equivalents could allow it to increase its dividend within the next few months.

Which of these stocks should you buy for monthly income?

Northland Power, Chartwell Retirement Residences, and Bird Construction are three of the most attractive monthly dividend-paying investment options in their respective industries. Foolish investors should take a closer look at each and consider initiating positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BDT (Bird Construction Inc.)
2. TSX:CSH.UN (Chartwell Retirement Residences)
3. TSX:NPI (Northland Power Inc.)

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