

3 Top Dividend-Growth Stocks You Can Count On

Description

As history shows, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and the top performers are those that increase their rates as often as possible. It is for this reason that I think all long-term investors should own at least one dividend-growth stock and, depending on your age, investment goals, and risk tolerance, maybe even a portfolio full of them.

With all of this in mind, let's take a look at three stocks that have raised their annual dividend payments for 11 consecutive years or more, so you can determine if you should buy one or more of them today.

1. TransCanada Corporation

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of the largest owners and operators of natural gas pipelines and storage facilities in North America. It currently pays a dividend of \$0.52 per share quarterly, or \$2.08 per share annually, which gives its stock a 4.9% yield at today's levels.

It is also very important for investors to make two notes.

First, TransCanada has raised its annual dividend payment for 15 consecutive years.

Second, the company has a target of increasing its dividend by 8-10% annually through 2020, which would bring its streak of annual increases to 20, and I think it will extend this target or announce a new one as 2020 nears.

2. CCL Industries Inc.

CCL Industries Inc. ([TSX:CCL.B](#)) is the world's largest label company and one of the largest providers of specialty packaging products and innovative solutions for several industries. It currently pays a dividend of \$0.375 per share quarterly, or \$1.50 per share annually, which gives its stock a 0.7% yield at today's levels.

A 0.7% yield may seem tiny and insignificant at first glance, but investors must make two very important notes.

First, CCL Industries has raised its annual dividend payment for 14 consecutive years.

Second, the company has a target dividend payout of 25% of its adjusted net earnings, so its very strong growth, including 29.5% year-over-year growth to an adjusted \$6.45 per share in the first nine months of fiscal 2015, should allow its streak of annual increases to continue in 2016.

3. Stella-Jones Inc.

Stella-Jones Inc. ([TSX:SJ](#)) is one of North America's leading producers of pressure-treated wood products, including railway ties, construction timbers, and utility poles. It currently pays a dividend of

\$0.08 per share quarterly, or \$0.32 per share annually, which gives its stock a 0.7% yield at today's levels.

Like CCL Industries's yield, Stella-Jones's yield may not seem impressive at first, but it is very important for investors to make two notes.

First, the company has raised its annual dividend payment for 11 consecutive years.

Second, I think its increased amount of cash flow from operating activities before changes in non-cash working capital, including 13% year-over-year growth to \$181.5 million in the first nine months of fiscal 2015, should allow its streak of annual increases to continue in 2016.

Which of these dividend growers should you buy?

TransCanada, CCL Industries, and Stella-Jones are three of the top dividend-growth stocks in their respective industries. All Foolish investors should take a closer look and strongly consider making one of them a core holding.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:CCL.B (CCL Industries)
3. TSX:TRP (TC Energy Corporation)

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Date

2025/09/12

Date Created

2016/01/18

Author

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