3 Dividend-Growth Stocks With Yields up to 5.1% to Buy Today

Description

As history has shown, owning a portfolio of dividend-paying stocks is a great way to build wealth over the long term, and this investment strategy works best when you invest in stocks that increase their payouts every year. With this in mind, let's take a look at three of the top dividend-growth stocks from different industries, so you can determine if you should buy one or all of them today.

1. Shaw Communications Inc.

Shaw Communications Inc. (TSX:SJR.B)(NYSE:SJR) is one of Canada's leading pure-play connectivity providers, and it is the country's fourth-largest wireless carrier through its WIND Mobile subsidiary. It pays a monthly dividend of $0.09875, or $1.185 per share annually, which gives its stock a yield of about 4.7% at today's levels.

Investors must also make two notes.

First, Shaw Communications has raised its annual dividend payment for 12 consecutive years, and its 7.7% hike in March 2015 has it on pace for 2016 to mark the 13th consecutive year with an increase.

Second, I think the company's ample free cash flow generation, including $173 million in its first quarter of fiscal 2016, and its increased financial flexibility following its $2.65 billion sale of Shaw Media Inc. to **Corus Entertainment Inc.**, which was completed on April 1 and funded its $1.6 billion acquisition of WIND Mobile, will allow it to announce another dividend hike when it reports its second-quarter earnings results on April 14.

2. Emera Inc.

Emera Inc. (TSX:EMA) is an international energy and services company with operations across Canada, the United States, and the Caribbean. It pays a quarterly dividend of $0.475 per share, or $1.90 per share annually, which gives its stock a yield of about 4% at today's levels.

Investors must also make two notes.

First, Emera has raised its annual dividend payment for nine consecutive years, and its recent increases, including its 18.8% hike in August 2015, have it on pace for 2016 to mark the 10th consecutive year with an increase.

Second, the company has an annual dividend-per-common-share growth target of 8% through 2019, and it has stated that its US$10.4 billion acquisition of **TECO Energy, Inc.**, which is expected to close in mid-2016, will provide additional support towards achieving this growth target and extending it beyond 2019.

3. National Bank of Canada

National Bank of Canada (TSX:NA) is the sixth-largest bank in Canada with over $219 billion in total assets. It pays a quarterly dividend of $0.54 per share, or $2.16 per share annually, which gives its stock a yield of about 5.1% at today's levels.

Investors must also make two notes.

First, National Bank has raised its annual dividend payment for five consecutive years, and its recent increases, including its 3.9% hike in December 2015, have it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a target dividend-payout range of 40-50% of its adjusted net income, so I think its consistent growth, including its 2.6% year-over-year growth to an adjusted $1.17 per share in its first quarter of fiscal 2016, will allow its streak of annual dividend increases to continue for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:EMA (Emera Incorporated)
3. TSX:NA (National Bank of Canada)
4. TSX:SJR.B (Shaw Communications)

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