3 Dividend-Growth Stocks With +3% Yields to Buy Today

Description

As history has shown, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and the top performers are those that raise their payouts every year. It is for this reason that every long-term investor should own at least one dividend-growth stock, so let's take a look at three with high and safe yields of 3-6% that you could add to your portfolio today.

1. Genworth MI Canada Inc.

Genworth MI Canada Inc. (TSX:MIC) is Canada's largest private residential mortgage insurer. It pays a quarterly dividend $0.42 per share, or $1.68 per share annually, which gives its stock a yield of about 5.1% at today's levels.

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

First, the company's 7.7% dividend hike in October 2015 has it on pace for fiscal 2016 to mark the seventh consecutive year in which it has raised its annual dividend payment.

Second, I think Genworth's strong financial performance, including its 6.3% year-over-year increase in net earnings to $4.22 per share and its 4.9% year-over-year increase in operating earnings to $4.05 per share in fiscal 2015, and its growing asset base will allow its streak of annual dividend increases to continue for the next several years.

2. Cineplex Inc.

Cineplex Inc. (TSX:CGX) is Canada's largest owner and operator of movie theatres with 162 theatres across the country and an estimated 78% market share. It pays a monthly dividend of $0.13 per share, or $1.56 per share annually, which gives its stock a yield of about 3.1% at today's levels.

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First, the company's 4% dividend hike in May 2015 has it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, Cineplex traditionally announces its dividend hikes in May, and I think its consistent growth of free cash flow, including its 7.8% year-over-year increase to an adjusted $2.49 per share in fiscal 2015, will allow it to continue this tradition by announcing a hike when it reports its first-quarter earnings results on May 3.

3. Pembina Pipeline Corp.

Pembina Pipeline Corp. (TSX:PPL)(NYSE:PBA) is one of the leading transportation and midstream service providers to oil and natural gas companies in North America. It pays a monthly dividend of $0.16 per share, or $1.92 per share annually, which gives its stock a yield of about 5.2% at today's levels.

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

First, the company's two dividend hikes since the start of 2015, including its 4.9% hike last month, has it on pace for fiscal 2016 to mark the fifth consecutive year in which it has raised its annual dividend payment.

Second, I think Pembina's consistent growth of cash flows from operating activities, including its 6.3% year-over-year increase to an adjusted $2.53 per share in fiscal 2015, and its growing fee-for-service asset base will allow its streak of annual dividend increases to continue going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:CGX (Cineplex Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)

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