



3 of the Best Dividend-Growth Stocks Money Can Buy

Description

As history has shown, owning a portfolio of dividend-paying stocks is the best way to build wealth over the long term, and this investment strategy generates the highest returns when you own stocks that grow their payouts over time. With this in mind, let's take a look at three of the best dividend-growth stocks that you could buy today.

1. Telus Corporation

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is the third-largest telecommunications company in Canada with about 12.5 million customer connections, and it's the country's second-largest wireless carrier with about 8.5 million subscribers. It pays a quarterly dividend of \$0.44 per share, or \$1.76 per share annually, which gives its stock a yield of about 4.5% at today's levels.

Investors should also make the following two notes.

First, Telus's two dividend increases since the start of 2015, including its 4.8% hike in November 2015, have it on pace for fiscal 2016 to mark the 13th consecutive year in which it has raised its annual dividend payment.

Second, the company has a program in place to grow its dividend by another 10% in 2016, and it will achieve this by announcing hikes in May and November, so investors should look for its next increase when it releases its first-quarter earnings results on May 5.

2. Brookfield Renewable Energy Partners LP

Brookfield Renewable Energy Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the world's largest owners and operators of renewable power generation facilities with approximately 250 facilities across North America, South America, and Europe. It pays a quarterly dividend of US\$0.445 per share, or US\$1.78 per share annually, which gives its stock a yield of about 6% at today's levels.

Investors should also make the following two notes.

First, Brookfield's 7.2% dividend hike in February has it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, the company has an annual distribution growth target of 5-9%, and I think its growing asset base will allow it to achieve this target for many years to come.

3. Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank with about \$1.2 trillion in total assets. It pays a quarterly dividend of \$0.81 per share, or \$3.24 per share annually, which gives its stock a yield of about 4.2% at today's levels.

Investors should also make the following two notes.

First, RBC's three dividend increases since the start of 2015, including its 2.5% hike in February of this year, have it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, the company has a target dividend-payout range of 40-50% of its net earnings, so I think its consistent earnings growth and its growing asset base will allow its streak of annual dividend increases to continue for the foreseeable future.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:TU (TELUS)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:T (TELUS)

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