

3 Dividend-Growth Stars With Yields Over 3% to Consider Today

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 invest in stocks with high yields that raise their payouts every year. With these criteria in mind, let's take a look at three stocks with high and safe yields of 3-5% and active streaks of annual dividend increases, 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 North America's largest owners and operators of energy infrastructure assets, including natural gas and crude oil pipelines, natural gas storage facilities, and power generation facilities.

It pays a quarterly dividend of \$0.565 per share, or \$2.26 per share annually, which gives its stock a yield of about 4.1% at today's levels.

It's also important to make two notes regarding its dividend.

First, TransCanada has raised its annual dividend payment for 15 consecutive years, and its 8.7% hike in February has it on pace for 2016 to mark the 16th consecutive year with an increase.

Second, the company has an annual dividend-per-common-share growth target of 8-10% through 2020, making it one of the top dividend-growth plays in the energy sector.

2. Transcontinental Inc.

Transcontinental Inc. ([TSX:TCL.A](#)) is Canada's largest printer with operations in print, flexible packaging, publishing, and digital media, and it's the country's leading provider of proximity media solutions.

It pays a quarterly dividend of \$0.185 per share, or \$0.74 per share annually, which gives its stock a yield of about 3.8% at today's levels.

It's also important to make two notes regarding its dividend.

First, Transcontinental has raised its annual dividend payment for 14 consecutive years, and its two hikes since the start of 2015, including its 6.3% hike in March 2015 and its 8.8% hike in March of this year, have it on pace for 2016 to mark the 15th consecutive year with an increase.

Second, I think the company's strong growth of operating cash flow, including its 37.8% year-over-year increase to \$34.3 million in the first quarter of 2016, will allow its streak of annual dividend increases to continue for the next several years.

3. Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is Canada's third-largest bank with over \$919 billion in total assets.

It pays a quarterly dividend of \$0.72 per share, or \$2.88 per share annually, which gives its stock a yield of about 4.4% at today's levels.

It's also important to make two notes regarding its dividend.

First, Bank of Nova Scotia has raised its annual dividend payment for five consecutive years, and its three hikes since the start of 2015, including its 3% hike in March 2015, its 2.9% hike in August 2015, and its 2.9% hike in March of this year, 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 net earnings, so I think its consistent growth, including its 5.9% year-over-year increase to \$1.43 per share in the first quarter of 2016, will allow its streak of annual dividend increases to continue for decades.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TRP (Tc Energy)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:TCL.A (Transcontinental Inc.)
5. TSX:TRP (TC Energy Corporation)

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Date

2025/08/25

Date Created

2016/05/30

Author

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