



## Looking for More Income? Consider Investing in These 3 Stocks

### Description

Let's face it. We'd all like to boost our income, so we have more to spend in the future. One of the easiest ways to do so is to invest in dividend-paying stocks. While there are plenty of options, three of the best are **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)), **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), and **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)).

Not only do all three pay pretty well right now, but they are projected to pay even more in the future.

### A pipeline of income growth

Canadian energy infrastructure companies Enbridge and TransCanada are similar in many regards. At the current prices, Enbridge yields 3.7%, while TransCanada yields just a bit less at 3.4%. Backing those income streams are fee-based assets, which support more than 90% of their cash flow. Meanwhile, both companies maintain substantial dividend-coverage ratios, typically paying out less than 50% of their cash flow each year. Finally, both have strong investment-grade credit ratings.

Not only do both companies offer excellent income right now, but both are projected to deliver substantial dividend growth in the years ahead.

TransCanada, for example, has \$25 billion in near-term growth projects underway. Those projects are expected to support 8-10% dividend growth through 2020. Meanwhile, Enbridge has an equally large growth pipeline with \$26 billion in projects expected to go into service through 2019. That said, it plans to grow its payout at a slightly better rate in the near term of 10-12% through 2018.

### Acquisition-driven income growth

Leading global infrastructure company Brookfield Infrastructure Partners is similar to Enbridge and TransCanada in some regards because it too owns energy infrastructure assets. However, it is diversified well beyond energy; it owns power lines, toll roads, railroads, and other infrastructure assets.

That said, these assets also throw off stable cash flow with 90% of Brookfield's cash flow either regulated or contracted. Meanwhile, its payout ratio is also relatively conservative at 60-70%, and it

also has an investment-grade credit rating.

Where Brookfield Infrastructure Partners differs is that it offers an even bigger near-term income opportunity given that its payout is much larger at 4.5%. That said, its organic growth is not as robust as its pipeline peers. It projects to grow its funds from operations by 6-9% over the long term. However, it has the potential to grow even faster if it continues to make accretive acquisitions. With several deals currently in the pipeline, Brookfield shouldn't have any trouble delivering high-end distribution growth.

### **Investor takeaway**

Four factors make this trio ideal for investors seeking income: stable cash flow, a conservative payout ratio, a strong balance sheet, and visible growth potential. Because of those factors, investors not only earn a pretty generous dividend today, but that income stream should rise in the years ahead.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:TRP (TC Energy Corporation)

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