# 2 Excellent 4-5% Yielders for Your RRSP

## Description

Opening and contributing to a Registered Retirement Savings Plan (RRSP) is a great way to set money aside for retirement, and deductible contributions can help reduce your taxes. High-yielding dividend-growth stocks are ideal investment options for your RRSP, so let's take a closer look at two that you could buy today.

**Emera Inc.**

**Emera Inc.** (TSX:EMA) is one of North America's largest utilities companies with approximately $27.95 billion in assets as of September 30 and operations across Canada, the United States, and the Caribbean. Its operational capabilities include electricity generation, transmission, and distribution, gas transmission and distribution, and utility energy services, and its affiliates include Tampa Electric, Nova Scotia Power, Peoples Gas, New Mexico Gas, Emera Maine, Emera New Brunswick, and Emera Utility Services.



Emera currently pays a quarterly dividend of $0.5225 per share, representing $2.09 per share on an annualized basis, giving its stock a handsome 4.6% yield today.

As intelligent investors, we know we must always confirm the safety of a stock's dividend before making an investment, and you can do this with Emera by checking its earnings. In its nine-month period ended on September 30, its adjusted earnings per common share totaled $2.31, and its dividends declared per common share totaled $1.995, resulting in a healthy 86.4% payout ratio.

In addition to a high and safe yield, Emera offers dividend growth. It has raised its annual dividend payment for 10 consecutive years, and its 10% hike in July has it positioned for 2017 to mark the 11th consecutive year with an increase.

If having a high, safe, and growing dividend were not enough to earn Emera a place on your shopping list, then the fact that it also has a dividend-growth program should. It has a dividend-growth target of 8% annually through 2020, and I think its very strong operational performance and strategic growth initiatives will allow it to extend this target or announce a new one as 2020 nears.

**North West Company Inc.**

**North West Company Inc.** (TSX:NWC), or NWC for short, is one of the leading retailers of food and everyday products and services to underserved rural communities and urban neighbourhood markets in northern Canada, western Canada, rural Alaska, the South Pacific Islands, and the Caribbean. It has over 225 locations under the trading names Northern, NorthMart, Giant Tiger, AC Value Center, and Cost-U-Less.

NWC currently pays a quarterly dividend of $0.31 per share, representing $1.24 per share on an annualized basis, and this gives its stock a whopping 5% yield today.

To confirm the safety of its dividend, all you have to do is check its cash flow. In its six-month period ended on July 31, NWC's operating cash flow totaled $49.78 million, and its dividend payments totaled just $30.08 million, resulting in a healthy 60.4% payout ratio.

Like Emera, NWC has shown a strong dedication to growing its dividend. Following its next dividend payment, 2016 will officially mark the fifth consecutive year in which it has raised its annual payment, and I think its strong growth of operating cash flow, including its 24.4% year-over-year increase in its six-month period ended on July 31, and its expansion plans will allow its streak to continue in 2017 and beyond.

**Is one a better buy today?**

Emera and NWC both offer high, safe, and growing dividends, but if I had to choose just one to invest in today, I'd go with Emera for the simple fact that it has a dividend-growth program in place, which takes the guess work out of its growth for the next three years.



**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:EMA (Emera Incorporated)
2. TSX:NWC (The North West Company Inc.)

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