



Create Your Own Passive-Income Empire With These 3 Dividend Studs

Description

Who wouldn't like a little extra money? I know I sure would.

There are two paths for a regular person to get more cash: there's the easy way and the hard way.

The hard way stinks. It involves work. You could do things like pick up extra hours at work, get a part-time job, or start your own business. There's nothing wrong with doing any of these things; in fact, they are all recommended, especially for folks with more time than money.

But I prefer the lazy route.

The easy way is as simple as it is powerful. All you need to do is pile up some excess cash, put it to work, and watch the dividends flow in. It really is that easy.

Investing isn't hard. Getting the money to put to work in the first place is the difficult part. All a good investor needs to do is invest in the kinds of companies that have made countless people rich over the years.

Are you ready to begin collecting passive income? Here are three great stocks to get you started.

Telus

I truly think **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) is one of Canada's best dividend stocks. It has so much going for it.

First, let's talk about the business. The company continues to grow wireless, internet, and even television subscribers through a combination of seizing customers from competitors, clever marketing, and expanding its retail presence. The growth isn't spectacular, but remember, Telus can pass through price increases to existing customers to help goose the top line.

When was the last time your internet bill went down? Exactly.

But it isn't enough to have a good business. A great dividend stock needs a management team that's

committed to giving back to shareholders. Telus delivers this in a couple of ways. First, it has hiked its dividend twice per year since 2011, increasing the quarterly payout to \$0.48 per share, which is good enough for a 4.4% yield.

Telus also gives back to shareholders through aggressive share buybacks. It has repurchased more than 60 million shares since the end of 2012, spending more than \$2.3 billion in the process.

National Bank

While the rest of the world focuses on Canada's five largest banks, they're missing out on **National Bank of Canada** ([TSX:NA](#)), which consistently trades at a cheaper valuation despite having much better growth potential.

National Bank really doesn't have much domestic exposure west of Ontario. Look for that to change either by acquisition or via organic growth.

But the big prize will be overseas. The company already owns assets in countries like Mongolia and Cambodia, and management openly admits they're currently shopping for bigger deals — the kind of acquisitions that can really boost the bottom line.

In the meantime, investors can collect the 4.1% dividend and be comforted knowing they're only paying 11 times next year's projected earnings.

Inter Pipeline

Even if the price of oil remains volatile, I can't think of many businesses steadier than transporting bitumen from Canada's oil sands to awaiting refineries. **Inter Pipeline Ltd.** (TSX:IPL) also owns natural gas pipelines in Alberta and gas storage facilities in Europe.

Most companies have vague, hard-to-execute growth plans. Inter Pipeline's expansion potential is ridiculously simple. When new oil sands projects get completed, Inter Pipeline will use existing capacity room to bring that crude to market. Easy, peasy.

The company has about two million barrels per day in excess capacity from its three main oil sands pipelines: Polaris, Cold Lake, and Corridor.

While they wait, investors can collect one of the market's best dividends. Shares currently yield 5.7%, and management has grown the payout by nearly 10% per year since 2012.

The bottom line

There should be nothing holding you back. As they say, a journey of a thousand miles starts with a single step. Investing is the same way. If you start consistently putting money into great companies like Telus, National Bank of Canada, and Inter Pipeline, the trickle of dividends will soon grow into a stream, and then a tsunami.

That won't happen unless you get started. It's that simple.

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2. Dividend Stocks
3. Investing
4. Stocks for Beginners

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