



## 2 Top Dividend Stocks Yielding 3-5% I'd Buy Today

### Description

If you're in search of great dividend stocks to buy and hold for decades, then you've come to the right place. Let's take a closer look at two with yields over 3.5% that you could buy right now.

#### Sun Life Financial Inc.

**Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) is one of the world's largest financial services organizations. It provides a diverse range of insurance, wealth, and asset management solutions to individuals and corporate clients in major markets around the world, including Canada, the United States, the United Kingdom, Japan, India, China, and Australia.

Sun Life currently pays a quarterly dividend of \$0.42 per share, equal to \$1.68 per share on an annualized basis, and this gives it a yield of about 3.6% today.

A 3.6% yield for one of the world's most well-known and trusted financial brands is very good, and the fact that it has also been growing its dividend makes it great. It has raised its annual dividend payment for two consecutive years, and its two hikes in the last 12 months, including its 3.8% hike in May 2016 and its 3.7% hike in November 2016, have it on pace for 2017 to mark the third consecutive year with an increase.

I think Sun Life is a great pick for dividend growth going forward too. It has a target dividend-payout range of 40-50% of its underlying net earnings, so I think its very strong outlook, including its projected 8-10% annual growth in the medium term, and the fact that its payout ratio has been at the low end of its target range in recent years, including 42.6% in 2016 and 40.2% in 2015, will allow its streak of annual dividend increases to continue into the 2020s.

#### Emera Inc.

**Emera Inc.** ([TSX:EMA](#)) is a geographically diverse energy and services company. It holds investments in electricity generation, transmission, and distribution, gas transmission and distribution, and utility energy services, and its affiliate companies include Tampa Electric, Nova Scotia Power, Peoples Gas, Emera Energy, and New Mexico Gas.

Emera currently pays a quarterly dividend of \$0.5225 per share, equal to \$2.09 per share on an annualized basis, which gives it a yield of approximately 4.4% today.

Like Sun Life, Emera offers dividend growth in addition to a high yield, and its streak of annual increases is even more impressive. It has raised its annual dividend payment for 10 consecutive years, including a compound annual growth rate of 8.7% over the last five years, and its 10% hike in July 2016 has it on pace for 2017 to mark the 11th consecutive year with an increase.

Emera will continue to be one of the energy industry's best dividend-growth plays in the years ahead as well, because it has a dividend-growth program in place. Its program calls for annual dividend growth of 8% through 2020, and I think its very strong earnings growth, including its 22.6% year-over-year increase to an adjusted \$2.77 per share in 2016, and its major acquisition of TECO Energy, which closed in July 2016 and provided it with a new strategic growth platform, will allow it to complete this dividend-growth program and announce a new one as 2020 nears.

### **Which of these dividend dynamos belongs in your portfolio?**

Sun Life Financial and Emera would make great additions to any Foolish portfolio, so take a closer look at each and strongly consider adding at least one of them to yours today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

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1. TSX:EMA (Emera Incorporated)
2. TSX:SLF (Sun Life Financial Inc.)

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