

2 Dividend Stocks Yielding 4-6% I'd Buy Today

Description

Dividend stocks are the foundation of great portfolios, because as history has shown, they far outperform non-dividend-paying stocks over the long term. With this in mind, let's take a closer look at two with yields of 4-6% that you could buy right now.

Sienna Senior Living Inc.

Sienna Senior Living Inc. ([TSX:SIA](#)) is one of Canada's leading senior-living providers. It serves the continuum of independent living, independent supportive living, assisted living, memory care, long-term care, and residential care through its operation of 56 residences. It also provides management and consulting services to other operators in the industry.

Sienna pays a monthly dividend of \$0.075 per share, equal to \$0.90 per share on an annualized basis, and this gives it a yield of approximately 5.1% today.

In addition to being a bonafide high yielder, Sienna is a very reliable dividend payer. It has paid monthly dividends, uninterrupted and without reduction, since March 2010, and it has maintained its current monthly rate since December 2012.

I think Sienna will continue to provide its shareholders with a reliable stream of monthly dividends in the years ahead too. I think its consistent generation of adjusted funds from operations (AFFO), including \$0.361 per share in the first quarters of 2016 and 2017, and its conservative payout ratio, including 62.3% in the first quarters of 2016 and 2017, will allow it to continue to maintain its current monthly dividend rate for the foreseeable future.

Emera Inc.

Emera Inc. ([TSX:EMA](#)) is a geographically diverse energy and services company with investments in electricity generation, transmission, and distribution, gas transmission and distribution, and utility energy services. It has investments throughout North America, and in four Caribbean countries, 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, giving its stock a yield of approximately 4.45% today.

On top of being a high yielder, Emera is one of the market's best dividend-growth stocks. It has raised its annual dividend payment for 10 consecutive years, and its 10% hike in July 2016 has it positioned for 2017 to mark the 11th consecutive year with an increase.

Emera's streak of annual dividend increases will not slow up anytime soon either. It has a dividend-growth program in place that calls for annual growth of 8% through 2020, and I think its very strong operational performance, including its 49.4% year-over-year increase in operating cash flow to \$348

million in the first quarter of 2017, and its significant expansion potential, both organically and inorganically, will allow it to complete this program and announce a new one that extends into the late 2020s.

Which of these high yielders belongs in your portfolio?

I think Sienna Senior Living and Emera would make great additions to any Foolish portfolio, so take a closer look at each and strongly consider adding one or both to yours today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)
2. TSX:SIA (Sienna Senior Living Inc.)

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