Diversify and Collect Over 4% in Dividends With These 3 Stocks

Description

Collecting dividends is an easy way to add regular income to your portfolio. A dividend can also act as a bit of a safety net if the price of a stock declines by offsetting some of your losses. I've compiled a list of three stocks in three different industries that provide yields of over 4% that you can hang on to for the long haul.

National Bank of Canada (TSX:NA) isn't one of the Big Five banks, but it is still able to provide a strong dividend yield of over 4%. National Bank's dividend has grown by over 33% in four years for a compounded annual growth rate of 7.5%.

In addition to a good, growing dividend, you'll likely be able to profit from an increase in the company's stock price as well. National Bank's stock has performed well over the years with returns of over 90% in the past 10 years, 48% in the last five, and a 20% return in the past 12 months. As the company grows and continues to bring in sales and profitability, returns will likely follow.

The company has seen income from loans and leases increase in each of the past four years. Total revenue for National Bank in the last fiscal year totaled $4.8 billion and was up from $4.1 billion in 2012 for a compounded annual growth rate of over 4%.

Shaw Communications Inc. (TSX:SJR.B)(NYSE:SJR) provides a similar dividend to National Bank, and it too has grown its payout over the years. In 2013, Shaw's dividend paid $0.0808; it has since risen to $0.0988 for an increase of 22% in the span of four years. However, the last time the company raised its dividend was over two years ago.

Shaw is also a stock that you can own over the long term and can expect stock price to rise over time. The company is one of the main providers in the telecommunications industry in Canada and has made efforts to grow further with its entrance into the wireless space through the acquisition of WIND Mobile. Although the stock has produced returns of just 5% in the past year, the share price has appreciated by over 40% in the last five years.

Great-West Lifeco Inc. (TSX:GWO) also pays a dividend of over 4% and has seen that payout grow by over 19% in the past four years. The company has increased its dividend in each of the past three years with the most recent being hiked by 6%.

Like the other two stocks mentioned here, Great-West is a good long-term investment that you can buy and forget. In the past five years, the company has seen its stock price rise by over 60%, and in the past 12 months, it has increased by 13%. Great-West is one of the main insurance providers in the country, and its position in the industry is very safe as it continues to grow.

In its most recent fiscal year, the company posted revenues of over $46 billion, which are up from $26 billion just three years prior for an increase of over 75%. An insurance company may not be the most exciting company to invest it, but it provides stability, which long-term investors will certainly value.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:NA (National Bank of Canada)
4. TSX:SJR.B (Shaw Communications)

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