

## New Investors: Jump-Start Your Portfolio With These 3 Growing Dividend Stocks

### Description

For first-time investors, deciding what to invest in may be a daunting task as many choices are available. There is undoubtedly an attraction to look at lightly priced penny stocks that could have tremendous upside in the price if the company takes off. However, these types of stocks carry a great deal of risk and oftentimes go in the opposite direction.

Although they're not as exciting, you could opt to invest in quality blue-chip stocks that will provide you with minimal risk while allowing you to earn a dividend. Below, I have a list of three solid stocks that you can use as pillars to help build your portfolio.

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is one of Canada's top banks and, with a significant presence south of the border, it is also well diversified. Bank stocks are traditionally stable and offer great growth prospects; after all, banks are in the business of printing money.

In just the past 12 months, TD's stock has soared over 12%, while the TSX yielded a dismal 2% return. Over the past five years, TD's share price has appreciated by over 60%.

TD also offers a good dividend of over 3.5% per year, which is paid out quarterly. The company has a strong history of paying and increasing its dividend, and it has already hiked its payout this year. In just four years, the dividend payment has grown from \$0.405 to \$0.60 for an increase of over 48%.

This means if you buy the stock today, hold it for four years, and if TD follows the same pattern of raising dividends, you could be earning a yield of 5.5% by 2021. A company that increases dividends makes it very attractive to hold for the long term since you will ultimately be earning more of a yield on your initial investment just by hanging on to it.

Although you could load up on bank stocks, it is important to diversify your risk as well, so you aren't putting all your investment dollars into one segment or basket.

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is another safe stock and well-known Canadian brand in the telecommunications industry. The company even has significant stakes in many professional sports teams.

BCE currently offers a higher yield than TD at just under 5% per year. The company has also done a great job of growing its dividend with payouts increasing by 23% in four years.

In five years, the company's stock price has grown by over 33%, and BCE still has great growth prospects for the future.

**Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is in the utility business and provides investors with a lot of stability as a result. Regardless of whether the economy is booming or not, people will need to use heat and electricity, making utility companies very stable investments.

In the past 12 months, Fortis has seen its share price rise by over 8%, and it has produced returns of

over 36% in the past five years. In addition to a growing stock price, the company pays a dividend of 3.5% per year. The company has also grown its dividends by 29% from \$0.31 four years ago to now paying its shareholders \$0.40 every quarter.

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1. Editor's Choice

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:FTS (Fortis Inc.)
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djagielski

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