RRSP Investors: 3 Stocks With Over 20 Years of Dividend Growth

Description

Opening and contributing to a Registered Retirement Savings Plan (RRSP) is a great way to set money aside for retirement, and deductible contributions can help reduce your taxes. Dividend-growth stocks are ideal investment options for RRSPs, so let's take a quick look at three with over 20 years of dividend growth that you could invest in today.

Metro, Inc.

Metro, Inc. (TSX:MRU) is one of the leading food retailers and distributors in Canada, and it operates a network of over 850 supermarkets, discount stores, and drugstores in Quebec and Ontario. Its family of brands includes Metro, Metro Plus, Super C, Food Basics, Drug Basics, and Brunet.

Metro currently pays a quarterly dividend of $0.1625 per share, equal to $0.65 per share annually, giving it a 1.6% yield at the time of this writing.

Since Metro has a low yield, it's crucial for investors to note that its 16.1% dividend hike last month has it on track for 2017 to mark the 23rd straight year in which it has raised its annual dividend payment. The company also has a dividend-payout target of 25% of its net earnings from the preceding fiscal year, so I think its continued growth, including its 6.7% year-over-year increase to $1.91 per fully diluted share in the first 40 weeks of fiscal 2017, will allow its streak of annual dividend increases to continue in 2018 and beyond.

ATCO Ltd.

ATCO Ltd. (TSX:ACO.X) is a diversified global corporation with operations in the structures and logistics, electricity, pipelines and liquids, and retail energy industries.

ATCO currently pays a quarterly dividend of $0.3275 per share, equal to $1.31 per share annually, which gives it a 2.9% yield at the time of this writing.

Investors must note that ATCO's 14.9% dividend hike in January has it positioned for 2017 to mark the 24th consecutive year in which it has raised its annual dividend payment, and I think its consistently strong financial performance, including its 4.3% year-over-year increase in funds generated from operations to $923 million in the first half of 2017, will allow this streak to continue for decades.

Canadian Western Bank

Canadian Western Bank (TSX:CWB) is one of the largest diversified financial services organizations in Canada's four western provinces with over $25 billion in assets as of July 31. It provides specialized services in banking, trust, and wealth management.

CWB currently pays a quarterly dividend of $0.24 per share, equal to $0.96 per share annually, which gives it a yield of about 3% at the time of this writing.

It's important to note that CWB's 4.3% dividend hike last month has it positioned for 2017 to mark the 25th consecutive year in which it has raised its annual dividend payment, which gives it the longest active streak for a public financial institution in Canada. The company also has a dividend-payout target of approximately 30% of its common shareholders' net income, so I think its strong growth, including its 23% year-over-year increase to $167.55 million in the first nine months of 2017, will allow its streak of annual dividend increases to continue going forward.

Which of these dividend-growth superstars belongs in your RRSP?

I think Metro, ATCO, and CWB would make great additions to any RRSP, so take a closer look at each and strongly consider adding at least one of them to yours today.

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2. TSX:CWB (Canadian Western Bank)
3. TSX:MRU (Metro Inc.)

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