



Diversify and Add Income to Your Portfolio With These 3 Dividend Stocks

Description

Dividend stocks can provide investors with a great way to accumulate regular income while also benefiting from capital appreciation. However, rather than loading up on bank or utility stocks, investors would be wise to diversify their holdings to ensure that overall risk is minimized, while dividends are not.

It's also important to look at stocks that have strong potential for future growth and that are profitable, as struggling companies may be able to offer dividends in the short term, but in the long term, investors could face the risk of payouts being reduced or even eliminated entirely.

The following three stocks all have good growth prospects, provide high yields, and are in different industries.

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) currently pays investors a dividend of 3% per year, and the energy giant has been able to grow despite a low price of oil, which has plagued many of its peers. [In its most recent quarter](#), the company was able to grow its top line by 8%, while achieving a profit of just under \$1.3 billion. Only once in the past three quarters has Suncor seen profits of under \$1 billion.

Year to date, the stock has declined in value, but in the past three months, it has started to gain momentum, rising over 7%. Oil prices have been rising recently as well, and if that trend continues, then Suncor's stock could soar even further.

Although the dividend may not provide investors with the highest yield, Suncor has increased its dividend 60% in just four years for a compounded annual growth rate of 12.5%. If the company were able to maintain this rate of growth, it would take fewer than six years for the payout to double.

Just Energy Group Inc. ([TSX:JE](#))([NYSE:JE](#)) provides energy in many different countries, serving both commercial and residential markets. In September, Just Energy announced that it would be launching operations in Ireland. Ireland will be the third European country that the company services. In 2012, Just Energy entered the U.K. market, and in 2016 it expanded into Germany. With 1.5 million customers, various types of energy solutions, and continuing global expansion, there are plenty of opportunities for Just Energy to grow its sales.

With a yield of 7%, the company offers investors a strong and [sustainable](#) payout. High yields are hard to come by, and investors may want to secure the rate before the share price takes off. In the past three months, the stock has climbed 6%, and a good earnings report in November could accelerate that incline.

IGM Financial Inc. ([TSX:IGM](#)) provides investors with an attractive 5% yield and an opportunity to invest in one of Canada's largest financial services companies. IGM manages over \$150 billion in assets among its various products and mutual funds. The company has seen a stable progression in its top line with revenues rising for four consecutive years, and in its most recent quarter, IGM increased its sales 7% year over year.

Population growth combined with increasing financial concerns will ensure that demand for IGM's services will continue to be on the rise. Although the stock may not provide the most exciting investment option, it could add a lot of stability to your portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:IGM (IGM Financial Inc.)
3. TSX:SU (Suncor Energy Inc.)

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