4 Dividend Stocks That Recently Raised Their Payouts

Description

Dividend stocks offer investors a great way to earn income without having to do anything but hold the investment. You could also potentially benefit from capital appreciation if the stock goes up, and in the long term, as long as you're not investing in high-risk stocks, then you can expect to see the share price rise over time.

Some companies also grow their payouts, which makes their dividend even more valuable, since you could be earning a higher yield years from now, giving you a lot of incentive to hold the stock for the long term.

Below, I have a list of four dividend stocks that recently raised their payouts and that could be great investments for many years to come.

A and W Revenue Royalties Income Fund (TSX:AW.UN) raised its monthly dividend from $0.133 to $0.136 this month for a modest 2% increase. In 2016, the company raised its dividend twice, increasing its monthly payment by more than 6%.

The fast-food stock has a strong history of increasing its payouts, and since 2014, when it was paying $0.117, the dividend has grown 16% for a compounded annual growth rate (CAGR) of 5%. Certainly, there have been years where the company has not raised the payout, but as long as the Income Fund continues to grow, investors will see payouts rise.

Currently, the stock yields investors an annual return of 4.7%. A&W is a strong fast-food brand in the country and could be a great long-term buy for the dividend and the potential for capital appreciation.

Royal Bank of Canada (TSX:RY)(NYSE:RY) currently pays its shareholders a dividend yielding 3.6%, and the bank has increased its payout twice this year. The most recent increase puts the company's quarterly payments up to $0.91, which are up 10% from a year ago, when the bank was paying $0.83 per share. In five years, dividend payments have increased by 52% for a CAGR of 9%.

Bank stocks are as stable an investment as you can find, and as fees continue to rise and theeconomy continues to grow, Royal Bank will benefit from stronger top and bottom lines.

Inter Pipeline Ltd. (TSX:IPL) might not have the lowest payout ratio, but as the price of oil continues to climb, the company should be able to turn out a stronger financial performance. Inter Pipeline recently raised its monthly dividend from $0.135 every month to $0.14 — an increase of just under 4%. Even during the downturn in oil prices, the company has still managed to raise its payouts with regularity.

Since 2012, dividends have grown from $0.0875 for an increase of 60% and a CAGR of 10%.

Telus Corporation (TSX:T)(NYSE:TU) raised its dividend earlier this month after the company posted a strong Q3. At a quarterly payment of $0.505, the dividend is up 5% from a year ago. In five years, the quarterly payouts have grown 58% for a CAGR of 9.6%.

Telus is one best-known telecom companies in the country and has a strong market position in the industry. Over the long term, the stock presents a lot of stability, and investors could benefit from a lot of capital appreciation. Year to date, the stock has risen 13% in value, and over five years returns have been north of 50%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TU (TELUS)
3. TSX:AW.UN (A&W Revenue Royalties Income Fund)
4. TSX:RY (Royal Bank of Canada)
5. TSX:T (TELUS)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/21
Date Created
2017/11/24
Author

djagielski