TFSA Investors: 5 Dividend-Growth Giants to Add to Your Portfolio

Description

Stocks that see regular increases in their payouts over time are highly coveted by investors. A stock that pays you 4% today might pay you much more years down the road.

Below are five stocks that have a strong reputation for growing their payouts that would be excellent long-term additions to any portfolio.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) is a top dividend stock that has an excellent track record for growing its payouts. Currently, the pipeline company pays its investors 5.4% per year; however, that could grow significantly over the next few years.

Its quarterly payment of $0.671, which was recently increased, has more than doubled from the $0.315 the company was paying five years ago, which equates to a compounded annual growth rate (CAGR) of 16%. The stock has had a tough year with its share price being down 14% in the past 12 months.

As oil prices continue to rise, Enbridge will give investors the opportunity to benefit from a rising share price and a growing dividend as well.

Telus Corporation (TSX:T)(NYSE:TU) has a strong market position in its industry and is a very safe stock to own as it is not reliant on commodity prices. The company has a small yield at just 4.3%, but its stock has performed better in the past year, producing a return of 7% for investors.

Telus currently pays its shareholders $0.505 every quarter, which is 58% more than the $0.32 it was paying five years ago for a CAGR of 9.5%.

Fortis Inc. (TSX:FTS)(NYSE:FTS) provides investors with a lot of stability, as the utility provider has a strong base of customers and can count on a lot of recurring revenue.

In five years, Fortis has increased its payouts by 37% for a CAGR of 6.5%. Currently, the stock pays investors a little under 4%, and it hasn't seen much in the way of capital appreciation, as the share price has risen just 27% in the past five years.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) could outperform its peers in 2018, especially as the bank expands its operations south of the border. With a dividend of 4.2%, it is one of the higher-paying bank stocks that you can find. In five years, CIBC has raised its dividend by more than 38% for a slightly higher CAGR of 6.7% than what Fortis has achieved.

Bank stocks typically offer investors a lot of stability, and CIBC is no exception with returns of 50% in the past five years. As interest rates continue to rise, banks will continue to cash in on higher spreads and pad their top and bottom lines as a result.

Algonquin Power & Utilities Corp. (TSX:AQN)(NYSE:AQN) is one of the higher-yielding stocks on this list with an annual dividend rate of 4.4%. It's another utility stock on this list, and for good reason.

Algonquin offers investors a lot of stability and could see even more growth than Fortis. In three years, Algonquin's sales have risen nearly 60%.

Over the past five years, the company's dividend payments have nearly doubled with a CAGR of 14%. During a period of high valuations and lots of uncertainty, utility stocks can act as safe havens for your money.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:FTS (Fortis Inc.)
5. NYSE:TU (TELUS)
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