3 High-Yield Dividend Stocks for New Income Investors

Description

Canadian income investors are searching for ways to get better returns on their hard-earned savings.

One option involves holding high-yield dividend-growth stocks inside a Tax Free Savings Account.

Let's take a look at three stocks that might be attractive right now.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge bought Spectra Energy last year in a $37 billion deal that added important gas assets and created North America's largest energy infrastructure company.

Spectra also provided a boost to the capital program.

Over the next three years, Enbridge expects to complete $22 billion in new projects. As the assets go into service, revenue and cash flow should increase enough to support annual dividend hikes of 10% through at least 2020.

Management has decided to focus the company on regulated businesses and has identified $10 billion in non-core assets that will be sold. Enbridge plans to use the proceeds to strengthen the balance sheet.

At the time of writing, investors can pick up the stock for lest than $50 per share and get a 5.4% yield.

Inter Pipeline Ltd. (TSX:IPL)

IPL owns natural gas liquids (NGL) extraction facilities, conventional oil pipelines, oil sands pipelines, and a liquids storage business in Europe.

Management took advantage of the downturn to add strategic assets at discounted prices, and investors could see strong returns on the investments as the oil market recovers.

In addition, IPL just announced plans to build its Heartland Petrochemical Complex. The $3.5 billion project will begin this year and should be completed by the end of 2021.

The company has increased the dividend right through the oil rout, and more gains should be on the way as the new assets begin to generate cash flow.

IPL provides a yield of 6.5%.

BCE Inc. (TSX:BCE)(NYSE:BCE)

BCE purchased Manitoba Telecom Services early last year in a deal that moved the giant into top spot in the Manitoba market and set the business up for an expansion of its presence in the western provinces.

In the fall, the company announced its takeover of AlarmForce. The home-security provider is a perfect fit for BCE, which already has a strong relationship with millions of Canadian households.

Finally, BCE recently launched its new low-cost pre-paid mobile service provider Lucky Mobile.

The company generates significant free cash flow and raises the dividend on a regular basis. At the time of writing, investors can pick up a 5% yield.

Is one more attractive?

All three companies pay generous dividends that should be safe, and the stocks have come down to the point where they might be getting oversold.

If you have the funds available, I would probably split a new investment between them.

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