



Start Earning Monthly Income Today With These 3 Stocks

Description

Investing in monthly dividend stocks is the only way to generate significant income these days, because bonds, GICs, savings accounts, and other traditional sources of income yield next to nothing. With this in mind, let's take a closer look at three stocks yielding 3-7% that you could buy today.

Morneau Shepell Inc. (TSX:MSI)

Morneau Shepell is one of Canada's leading providers of human resources consulting and technology solutions, including employee- and family-assistance programs, retirement and benefits plans, and integrated absence-management solutions.

Morneau Shepell pays a monthly dividend of \$0.065 per share, representing \$0.78 per share on an annualized basis, which gives it a yield of about 3.1% at the time of this writing.

On top of being a high yielder, Morneau Shepell is known for its reliability, as it has maintained its current monthly dividend rate since it converted its corporate structure from an income trust to a conventional corporation in January 2011. I think the company's consistently strong financial performance, including its 33% year-over-year increase in profit to \$34.58 million, and its 2% year-over-year increase in free cash flow to \$72.33 million in 2017, will allow it to continue to provide its shareholders with a reliable stream of monthly income for the foreseeable future.

Northland Power Inc. ([TSX:NPI](#))

Northland is one of the world's leading owners, operators, and developers of facilities that generate clean and green energy. Its portfolio currently consists of ownership interests in 2,029 megawatts of operating generating capacity at facilities located across Canada and Europe.

Northland pays a monthly dividend of \$0.10 per share, representing \$1.20 per share on an annualized basis, which gives it a yield of about 5.3% at the time of this writing.

Like Morneau Shepell, Northland is a very [reliable dividend payer](#); it has paid dividends every year since 1998, and it has paid monthly dividends uninterrupted since it switched from quarterly to monthly

payments in August 2000. It's also very important to note that the energy giant announced an 11.1% increase to its dividend in December 2017, which was effective for its January 2018 payment, and I think its very strong generation of free cash flow, including its 4.3% year-over-year increase to \$1.46 per unit in 2017, could allow this to mark the starting point to an extensive streak of annual increases.

First National Financial Corp. ([TSX:FN](#))

First National is the parent company of First National Financial LP, which is Canada's largest non-bank originator and underwriter of mortgages and one of the top three in market share in the mortgage brokerage distribution channel. As of December 31, 2017, it has approximately \$101.59 billion in mortgages under administration.

First National pays a monthly dividend of \$0.154167 per share, representing \$1.85 per share on an annualized basis, which gives it a yield of about 7% at the time of this writing.

In addition to having the highest yield of the companies named in this article, First National [has a reputation](#) for dividend growth; it's 8.8% dividend hike in February 2017 has it on track for 2018 to mark the seventh straight 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 net income to \$3.42 per share in 2017, will allow it to continue to deliver dividend growth to its shareholders in 2019 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)
2. TSX:NPI (Northland Power Inc.)

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Date

2025/08/16

Date Created

2018/03/20

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