3 Dividend Stocks Yielding up to 8% That Can Diversify Your Portfolio

Description

An easy way to grow your portfolio is through dividends. And finding a good dividend stock is important, as it can help boost your returns, and when times are tough it could help offset some of your losses. Some stocks offer high yields but are in danger of being cut, and so investors always want to be careful to ensure that the company's operations are sound and likely to grow before deciding to invest.

Below are three great dividend stocks that would help diversify your portfolio while also allowing you to earn a great yield.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) may not offer the largest dividend, but it can provide investors with stable, long-term payouts. Currently, it is paying investors just 3.6%, but if you look at the big picture, you could be earning a lot more in the years to come. For example, TD's current dividend of $0.67 has grown by 65% since 2013, when it was paying only $0.405 every quarter. This averages out to a compounded annual growth rate of 10.6%.

Say, for instance, that you were going to invest $10,000 in TD's stock today. You would own roughly 135 shares and earn 3.6% this year in dividends, or about $360. However, if the company were to maintain its rate of dividend growth, then 10 years down the road, you could be receiving as much as $1.83 every quarter for every share that you own, earning you a little under $1,000 a year in dividends.

While inflation will certainly erode some of that dividend, if TD were to maintain its high rate of growth, then it would more than offset the modest price increases that we would expect over the years.

SmartCentres Real Estate Investment Trst (TSX:SRU.UN) offers its investors a higher yield with dividends of 6% per year. The REIT is a great investment option, and while investors may be concerned about the stock given its exposure to shopping centres, it has some big tenants, specifically **Wal-Mart Inc.**, which provide it with a lot of stability over the long term.

Proof of that can be seen in the company's financials, as over the past four years sales have grown by more than 30%, even amid all the problems we've seen in retail.

Medical Facilities Corp. (TSX:DR) is a unique stock that will allow you to invest in health care and a growing U.S. economy. Medical Facilities has interests in several hospitals and surgical centres in the U.S., where a broad range of procedures are performed, and various services are offered. The company has a lot of diversification, and its portfolio includes five surgical hospitals and eight ambulatory surgery centres.

The company offers a lot of stability to investors and is effectively recession-proof, given the necessary services that hospitals and surgical centres provide. Over the past five years, revenues have not dipped below $300 million, and over the past two years, sales have grown by 25%.

Medical Facilities currently pays investors a dividend of ~8%, which is the highest payout on this list.

The stock is a great long-term buy, as there are plenty of opportunities for the company to grow in the years to come.

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1. Dividend Stocks
2. Investing

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