3 Great Dividend Stocks That Also Offer Growth!

Description

When most people think of dividend investing, growth isn't the first thing on their minds. Sure, it's nice to have a big price gain on top of your dividend payouts. But generally, dividend investors are looking for stability, a high yield, and regular increases.

There's nothing wrong with this approach. Capital gains are one thing; dividends are another. But there's no reason you can't have both at the same time. In fact, the TSX is home to a number of stocks that have outperformed by *both* metrics over the long term.

In this article, we will be looking at a few such "dividend growers," starting with Canada's most famous railway company.

Canadian National Railway (TSX:CNR)(NYSE:CNI)

Canadian National Railway will be familiar to most Canadians. It's the namesake of Toronto's famous CN tower. It's also a dividend stock, with a modest yield of about 1.58%.

You might be wondering why I'd include a stock that yields just 1.58% in a dividend investing article. The answer lies in the fact that offers both dividends *and* growth in one convenient package. Over the past five years, the company has more than doubled in price. Over a period of 20 years, it has been a 10-bagger. And on top of that, the company's management has increased the dividend every year since 2013 — so that 1.58% yield could reach a little higher if you buy and hold.

Fortis (TSX:FTS)(NYSE:FTS)

Fortis is a little-known utilities company based in Newfoundland and Labrador. The company has an impressive reach, owning power companies all across Canada as well as in the U.S. and Latin America. The stock currently pays a dividend of 3.98%, and management has a history of increasing dividend payouts. The stock has also seen steady price appreciation, as it currently trades around $43, up from $30 four years ago.

Will the steady gains continue? With year-over-year earnings growth of 9.40% and a P/E ratio in the teens, there's no reason to doubt they will.

Sun Life Financial (TSX:SLF)(NYSE:SLF)

Last but not least, we have Sun Life Financial.

Sun Life Financial is a life insurance company with a history dating all the way back to 1865. In these +150 years of operation, the company has established a long-term track record of steady growth. No, we're not talking dot-com territory here. But the stock has managed to increase by about 54% in the past five years, which is a pretty solid return when coupled with the 3.66% dividend yield. And yes, that dividend is trending upward, with a 4% year-over-year increase as of the most recent reports.

Bottom line

None of the stocks mentioned in this article will make venture capitalists or other growth-hungry investors salivate. Nor are any of them among the highest-yielding stocks on the TSX. What each of them does have is a strong combination of dividends *and* growth, making any of them ideal for a moderately aggressive investor.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)
5. TSX:SLF (Sun Life Financial Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/25
Date Created
2018/08/10

Author
andrewbutton