3 Dividend Growth Stocks to Help Build Your Savings

Description

Dividend stocks sound ideal for people who are on fixed incomes, but for young people looking to save for retirement, investing in dividend-growth stocks is a very powerful way to accelerate that process. The benefit of investing in a growing dividend is that not only do you earn a percentage on your investment every year, but there's a good possibility that those payouts will increase over time.

Not every dividend stock hikes its dividend, and there's no guarantee that a dividend will even continue. But for investors looking to grow their savings, dividend-growth stocks are a great option and an easy way to strengthen your portfolio.

Below are three stocks that offer a good yield and that could generate significant dividends for years to come.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is an easy choice to pick for any portfolio because it'll be hard to find a safer stock on the TSX, and you also get a great dividend in the process. Currently, TD's stock pays investors a dividend of over 3.5% and it has hiked its payouts within the past year.

The company has a strong track record of increasing its payouts, and we could see another increase happen soon. Over the years, TD has hiked its dividend by around 10%, with the most recent increase being over 11%. Prior to that, the company raised its payout by 9%.

Either way, with the bank stock continuing to do well and having great opportunities for growth south of the border, there's little reason to expect to see any problems that would hinder the company's ability to continue paying and increasing its payouts.

Suncor Energy Inc (TSX:SU)(NYSE:SU) is one oil and gas stock that just might be safe to invest in. Despite the downturn in the industry over the past several years, Suncor remains a pillar and a strong investment option. The stock has been doing well over the past year and currently pays shareholders a dividend of 3%.

Even amid struggling industry conditions, Suncor has still been able to grow its dividend. In five years, dividend payments have risen from $0.20 per quarter to $0.36 for an increase of 80% and a compounded annual growth rate (CAGR) of 12.5%.

Suncor continues to look for ways to improve its operations, and that will help to ensure the company remains profitable and a safe investment option.

Emera Inc (TSX:EMA) has struggled this year, with its stock down around 15% in 2018 despite continuing to produce strong results in 2018. The utility provider has a strong business model that can offer investors with a lot of growth and stability over the long term.

The company recently increased its payouts, and Emera now pays its investors a dividend of 6% per year, the highest on this list. In five years, the company has increased its dividend payments by 62%

for a CAGR of just over 10%. While it may not be as high of an increase as Suncor has averaged, it would take Suncor's stock a very long time to catch up to Emera's yield, assuming, of course, that no significant changes were to happen along the way.

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2. NYSE:TD (The Toronto-Dominion Bank)
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