Need Dividends for Your RRSP? Here Are 3 Great Options That Pay Over 4%

Description

RRSP season is here and dividend income is a great way to grow your savings. Over the long term, stocks generally grow in value. By adding dividends into the mix, you can pad your overall savings even more. Below are three stocks that can generate a lot of cash for your portfolio for years to come that won't expose you to significant risk.

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is a little different than the other big chartered banks in that its focus on Latin America gives investors a more diversified option than those mainly in the North American markets. That doesn't guarantee that it'll provide a better performance, but the diversification will help minimize your overall exposure to the domestic markets, while the growth opportunities could be more significant in emerging markets.

While Scotiabank is still a safe stock that you can build your portfolio around, it's definitely a little riskier than its peers. With a dividend of around 4.5%, however, it compensates investors very well for taking on that added risk. Over the past 10 years, the stock has risen by more than 180%. While there have been fluctuations along the way, it has remained on an upward trajectory. Investing in the Big Five banks is always a safe option, and investing in Scotiabank could help you maximize your returns even further by taking a chance on markets outside of just Canada and the U.S.

TransCanada Corporation (TSX:TRP)(NYSE:TRP) is a blue-chip stock that not only pays a great dividend, but has a lot of potential growth as well. With the Keystone XL pipeline finally making some progress, there is hope that the pipeline will actually get built. However, even without the pipeline, TransCanada has shown strong growth in recent years, with sales rising more than 30% since 2014.

Unfortunately, the downturn in oil and gas hurt the stock and its five-year returns have been a very mediocre 14%. However, if we look at the past 10 years, we see that the stock has risen by more than 80% in value. The stock's payouts have also risen over the years, with quarterly dividend payments of 48 cents back in 2014 rising to 75 cents and a yield of 4.8% today, for a compounded annual growth rate of 9.3%. Trading at just two times its book value and 14.5 times earnings, TransCanada is a solid investment for all types of investors.

SmartCentres Real Estate Investment Trust (TSX:SRU.UN) is a good investment option for someone looking for dividends and who doesn't require much growth. In three years, the stock has only risen 4%, but with a lot of consistency and predictability in its financials, you wouldn't expect SmartCentres to see much capital appreciation anyway.

That predictability makes SmartCentres a safe choice, especially when **Walmart** anchors many of its locations. The REIT is well-diversified with a focus on retail and mixed-use locations in its portfolio across the country, giving it many avenues for expansion. It's also a good value buy, with the stock trading at only 1.3 times book value and 16 times earnings.

What RRSP investors will really love, however, are the monthly dividend payments that will give investors a steady stream of cash flow. At a rate of 5.3%, it's a fairly high yield for a stock that isn't very volatile or risky.

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2. NYSE:TRP (Tc Energy)
3. TSX:BNS (Bank Of Nova Scotia)
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