



## RRSP Investors: These Income Stocks Are Raising Dividends

### Description

As a dividend-growth investor, I pay close attention to companies that have [stable and reliable dividend growth](#) histories. A great starting point is Canadian Dividend Aristocrats. These are companies with histories of growing their dividends for five or more consecutive years.

Two aristocrats, **TC Pipelines** ([TSX:TRP](#))([NYSE:TRP](#)), formerly TransCanada, and **Toromont Industries** ([TSX:TIH](#)) raised dividends last week. Both companies make [excellent income stocks](#) for your Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP). Here's why.

### Top stock for income

Including this year's dividend bump, TC has an impressive 18-year dividend-growth streak. It is also yielding around 5% — a very nice starting yield for income investors.

TC isn't just a pipeline company. It also owns and operates a series of complementary infrastructure assets. This allows it to diversify away from the risks associated with a pure-play pipeline company.

This year is expected to be a banner year for the company. There are approximately \$10 billion worth of projects that will enter service by end of 2019. This will boost company earnings and cash flow.

New projects coming online is also one of the main reasons for the company's robust dividend policy. Through 2021, the company expects to raise dividends by 8-10% annually. Last week's 8.70% raise was right in line with guidance.

### Top stock for dividend growth

Toromont has the third-longest dividend-growth streak in Canada. With its raise this past week, the company has reached 30 consecutive years of dividend growth. Equally as impressive, Toromont has been raising dividends by double digits.

Its five-year dividend-growth average is 12.1%, and it has been slowly on the rise. This past week's raise of 17.39% marks the second consecutive year in which it was higher than historical averages.

Its impressive growth profile has propelled Toromont's outstanding dividend-growth rate. Toromont has been making strategic acquisitions that have proven to be quite successful. In 2018, the company grew revenue and earnings by more than 40%. It also managed to deleverage as its debt ratio dropped to 18% from 40% a year ago.

What does this mean? As the company continues to find synergies from its most recent acquisitions, it is positioning itself to enter the M&A market once again. Over the next two years, analysts expect the company to grow earnings by 15% annually. Income investors can expect dividend growth to follow suit.

## Foolish takeaway

TC Pipelines and Toromont have a reliable history of dividend growth. Both companies also have a clear path to future earnings growth, and as such, continued dividend growth will follow. These are rock-solid and foundational stocks for retirement portfolios.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:TIH (Toromont Industries Ltd.)
3. TSX:TRP (TC Energy Corporation)

### PARTNER-FEEDS

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

### Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

### Date

2025/07/03

### Date Created

2019/02/21

### Author

mlitalien

default watermark

default watermark