



3 Monthly Dividends That Earn Over 6.5%

Description

Finding a series of [well-paying dividend stocks](#) to add to your portfolio can mean the difference between retiring comfortably or needing to continue working long after retirement. Among all of the dividend investments on the market, those that offer a monthly distribution are often perceived as a mixed blessing with those who both seek them out as well as those who avoid them.

In reality, monthly distributions can provide a sense of normalcy and consistency for [income-seeking investors](#), while those investors seeking growth will also benefit from seeing more frequent reinvestments that are also less prone to temporary corrections and surprises, such as the pullback that market saw back in December of last year.

Let's take a look at three diversified stocks that are worthy of consideration, all of which provide investors with a monthly payout and a yield that is over 6.5%.

Exchange Income ([TSX:EIF](#)) is an investment option that is appealing for several different reasons. First and foremost, Exchange has over a dozen different subsidiary companies across the manufacturing and aviation sectors that provide a diversified stream of revenue for the company.

While this makes Exchange intriguing, what puts the company over the top is the fact that nearly all of those businesses operate in a segment of the economy where they fulfill a necessary need in a market niche where there is little to any competition but strong demand, such as cell phone tower construction and installation services, or providing scheduled passenger and cargo flights to serve northern Manitoba and Nunavut.

In terms of a dividend, Exchange provided its 13th dividend hike earlier this year, propelling the monthly distribution to an appetizing 6.62% with a very sustainable payout ratio of 60%.

TransAlta Renewables ([TSX:RNW](#)) is an interesting pick for those investors looking to take a position on the growing importance of renewable energy generation. TransAlta has a portfolio of over 40 renewable energy facilities that encompass wind, solar, and gas elements located across Canada, the U.S., and Australia.

Renewable energy investments benefit from the stable and recurring revenue model that traditional utilities adhere to with the added bonus of benefiting from the environmental aspect. In other words, as every traditional fossil fuel-burning facility comes up for its PPA contract renewal or those facilities reach their end-of-life date, renewable energy companies such as TransAlta have a competitive advantage in scoring that next PPA.

Finally, we come to TransAlta's monthly dividend, which currently provides an impressive 6.94% yield that has also averaged 6% growth over the past several years.

Inter Pipeline (TSX:IPL) is the third stock with a monthly payout, currently providing an incredible yield of 7.73%. As incredible as that dividend sounds, there are a few other reasons why investors may want to take a serious look at Inter Pipeline.

In addition to the lucrative stream of revenue that comes from operating a pipeline business, Inter Pipeline has a booming NGL business; it is currently constructing a massive petrochemical complex that will take local, low-cost propane and convert it into an in-demand type of plastic that is used in a variety of manufacturing processes.

The \$3.5 billion Heartland complex is set to be completed within the next two years, but that shouldn't deter investors from taking a position in this long-term growth and income gem today.

From a dividend standpoint, Inter Pipeline currently offers a mouth-watering 7.73% yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:RNW (TransAlta Renewables)

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