Nail Down a Growing $3,000 Income Stream With These 3 Top Stocks

Description

Hi there, Fools. I'm back again to draw attention to three top dividend growth stocks. As a quick refresher, I do this because businesses with consistently increasing dividend payouts can guard against the harmful effects of inflation by providing a growing income stream and tend to outperform the market averages over the long haul.

The three stocks highlighted below offer an average dividend yield of 3%. So if you spread them out evenly in a $100K RRSP account, the group will provide you with a *growing* $3,000 annual income stream. Not too shabby.

Without further ado, let's get to it.

Inside information

Leading off our list is news and information company **Thomson Reuters** (TSX:TRI)(NYSE:TRI), which has delivered 26 straight years of dividend growth.

Thomson's unique information databases and platforms continue to generate strong results for shareholders. In the most recent quarter, EPS of $0.20 beat the consensus by $0.14, while revenue increased 7%.

Based on that strength, management upped its quarterly dividend 2.9% to $0.36 per share.

"It was encouraging to see our positive momentum continue through the fourth quarter," said President and CEO Jim Smith. "With the solid close to an eventful year, we enter 2019 with a "new" Thomson Reuters superbly positioned to build on the improved organic revenue growth rate we achieved in 2018."

Thomson shares are up 26% in 2019 and offer a yield of 2.4%.

Natural choice

With 18 consecutive years of dividend increases, oil and gas giant **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) is next on our list.

Despite low Canadian crude prices, Canadian Natural continues to use a favourable cost structure — driven by its midstream pipeline assets — to generate robust cash flows. In 2018, operating cash flow grew 39% from the year prior to a whopping $10.1 billion.

On that strength, management recently increased the quarterly dividend 12% to $0.375 per share.

“We had a strong operational year in 2018 despite the volatility in commodity prices, as the Company was able to react quickly and strategically to changing market conditions,” said President Tim McKay.

Canadian Natural shares are up 22% so far in 2019 and boast a yield of 3.4%.

Winning with Finning

Rounding out our list is heavy equipment company **Finning International** (TSX:FTT), which has provided shareholders with 17 straight years of dividend increases.

Finning utilizes its broad support infrastructure, 85 years of experience, and worldwide reach to keep its coffers stuff with cash. In the most recent quarter, free cash flow clocked in at an impressive $418 million.

“I am pleased with our operating performance in Canada and the UK & Ireland, highlighted by continued improvement in return on invested capital,” said President and CEO Scott Thomson. “In addition, for the 6th consecutive year, we delivered positive free cash flow despite top-line revenue growth of 12%.”

Finning shares are flat in 2019 and offer a solid dividend yield of 3.3%.

The bottom line

There you have it, Fools: three attractive dividend growth stocks worth checking out.

As always, they aren’t formal recommendations. They’re simply a starting point for more research. The snapping of a dividend growth streak can be especially painful, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:CNQ (Canadian Natural Resources)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:FTT (Finning International Inc.)
5. TSX:TRI (Thomson Reuters)

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