This Secure $5,800 Income Stream Grows Like a Weed: Nail it Down Now

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 harmful 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 2.9%. So, if you spread them out evenly in a $200K RRSP account, the group will provide you with a growing $5,800 annual income stream.

Let's get to it.

Electric opportunity

Leading off our list is electric and gas utility giant **Fortis** (TSX:FTS)(NYSE:FTS), which has delivered 45 consecutive years of dividend increases.

Fortis's highly regulated operations, massive scale advantages, and territory monopolies give it a solid base for consistent growth. In the most recent quarter, adjusted EPS improved 6%, while the company invested $0.7 billion in capital expenditures.

Due to that strength, management continues to target average annual dividend growth of roughly 6% through 2023.

"Our businesses, now 99% regulated, delivered strong performance in the first quarter of 2019," said President and CEO Barry Perry. "We are executing our organic growth strategy well."

Fortis shares are up 19% so far in 2019 and offer a healthy dividend yield of 3.5%.

Fresh choice

With 24 consecutive years of dividend growth, grocery giant **Metro** (TSX:MRU) is next up on our list.

Metro leans on its large distribution and purchasing power, fresh-focus brand differentiation, and pharmacy scale — after its recent acquisition of Jean Coutu — to deliver stable results for investors.

In the most recent quarter, adjusted income spiked 43.5% and food same-store sales improved 4.3%. Moreover, synergies related to Jean Coutu clocked in at a solid $13.6 million.

“We continue to invest in our store network, as well as in our distribution and technology projects, and we are confident in our ability to deliver long-term growth” said President and CEO Erich La Fleche.

Metro shares are up 3% so far in 2019 and offer a decent yield of 1.5%.

Big blue

Rounding out our list is banking behemoth **Royal Bank** (TSX:RY)(NYSE:RY), which has delivered eight consecutive years of rising dividend payments.

RBC’s global reach in capital markets and wealth management as well as its dominant position in the highly regulated Canadian banking space, provides investors with an incredibly stable revenue stream. Despite challenging markets, RBC’s Q1 revenue increased 7% to $11.6 billion.

On that strength, management increased the quarterly dividend 4% and approved a buyback of up to 20 million shares.

“Our strategy and unwavering focus on delivering value for our clients and shareholders continues to underpin our ability to consistently deliver solid results, even against a challenging market backdrop,” said President and CEO Dave McKay.

RBC shares are up 12% so far in 2019 and offer a solid dividend yield of 3.7%.

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.

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