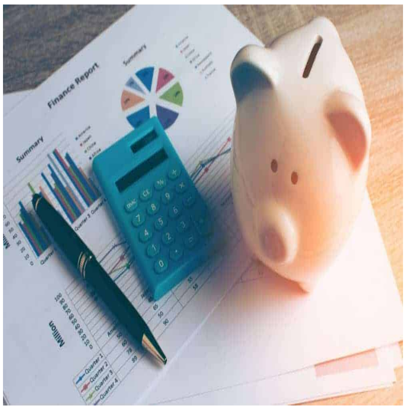

3 Dividend Stocks for Conservative Investors

Description

Not all dividend stocks are created equal, and it's important for investors to choose those that suit their investing strategy and profile. The three stocks listed below could be great choices for investors that have a conservative approach to investing.

Royal Bank of Canada (TSX:RY)(NYSE:RY) is one of the safest investments available on the TSX. The largest bank in Canada, RBC isn't going anywhere but up over the long term. It would take a lot for the company to struggle and become a bad investment. With consistent sales growth and reliable profits, it's a stable dividend stock that will look good in any portfolio.

The only knock on it is that you likely won't see significant, double-digit returns from the stock. However, if you're okay with a more modest returns coupled with a great dividend, then RBC could be a perfect fit. While you could definitely find a higher-yielding payout, RBC is the ultimate buy-and-forget stock that you won't have to worry about, and you can sit back and watch the dividend payments roll in.

Year to date, RBC's stock has risen by more than 10%, and it's still trading at a very modest 12 times earnings.

BCE (TSX:BCE)(NYSE:BCE) is another good blue-chip stock that you can add to your portfolio. The stock is certainly riskier than a bank stock, and there are concerns about how cord cutting might impact its long-term growth. However, with lots of diversification and multiple industries that the company operates out of, BCE has a lot of diversification, which helps to keep its performance stable while creating many growth opportunities.

It's a strong industry leader, and with a growing dividend that currently pays more than 5% per year, that's a very high payout for a stock that doesn't put investors' money at much risk. Conservative investors will definitely appreciate that the company hasn't seen profits fall below $2.9 billion over the past three years, while sales have been at least $21 billion during that time.

The stability and strong customer base helps BCE provide stability while making it easy for the company to build future growth.

Northland Power (TSX:NPI) will give you another industry to diversify your portfolio with. The utility provider is another great example of a company where strong, recurring sales can ensure investors see a lot of long-term stability. Heat and electricity are not negotiable items for most people, and so investors won't have to worry about commodity prices or economic cycles adversely impacting this recession-proof stock.

And because Northland is a smaller stock than the others on this list, it also has a lot more potential upside as well. In 2018, its sales grew by more than 13% while profits were up 73%. While it's not a guarantee that those kinds of numbers will continue, Northland has seen both it top and bottom lines increase for the past three years. It'll be a big bonus if that trend can continue, as with a dividend yield of 4.8%, Northland is already a great dividend stock to own.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BCE (BCE Inc.)
4. TSX:NPI (Northland Power Inc.)
5. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date
2025/08/21
Date Created
2019/05/31
Author
djagielski