



3 Dividend Stocks That Could Pay You for the Rest of Your Life

Description

If you're new to dividend stocks, you might be a little underwhelmed after hearing such great things about them. I mean, I understand that a 8% dividend yield can seem high, but when that translates to around \$1.50 per year, especially when you only have a small amount to invest, those dividends might add up to only about \$50 per year.

So what's all the excitement about?

It's what you do with those dividends that really matters. Even if you have a small amount to stash away, a solid dividend stock can provide cash for decades. All that cash adds up each year, and while you *could* take it out, you could also reinvest it, giving yourself not only more shares to see grow, but also more annual dividends.

So let's look at three stocks that deserve to be in your passive-income portfolio.

Chemtrade

Chemtrade Logistics Income Fund ([TSX:CHE.UN](#)) has been at the top of the dividend heap among **TSX** stocks for quite some time. The stocks offers investors a 12.81% dividend yield at the time of writing, equating to \$1.20 annually.

The first reason this yield is so high is due to income funds in Canada that must pay out 90% of taxable income to shareholders. However, that leaves investors wondering whether that dividend is safe for the long term. In Chemtrade's case, that's a resounding yes.

The chemicals manufacturer and distributor is in an industry that *needs* its products, with a solid history of growth that doesn't look to be slowing down. After two decades of solid returns, its first quarter continued that trend, with management seeing the company walking away with \$170 million in free cash flow by the end of the year, which is more than enough to pay its current dividend.

With a share price of \$9.92 as of writing, this stock is a perfect opportunity for investors looking for a

cheap, yet strong investment.

Inter Pipeline

Another top performer is **Inter Pipeline Ltd.** (TSX:IPL). The energy producer offers a 7.88% [dividend yield](#) at the time of writing, which translates to \$1.71 annually.

That high yield comes from the company wanting to set itself up as a top energy producer, handing out the dividends that would attract investors. The diversified energy company has its hands in a few pies, from transportation to storage of natural gas liquids, and a pipeline that spans 7,800 kilometres.

Some analysts equate Inter Pipeline to an early **Enbridge**, with the company currently in growth mode as it increases its funds from operations year after year. That's also meant increased dividends for investors over the last 14 years. While some may think that growth could slow, 72% of the company's EBITDA is via long-term contracts, meaning that cash will be coming in for decades.

A little higher than Chemtrade, this stock trades at about \$22 per share as of writing, making it a great time to get in at the ground floor.

Manulife

Finally, we have **Manulife Financial Corporation** ([TSX:MFC](#))([NYSE:MFC](#)), another relatively cheap stock with a strong dividend yield of 4.12%, translating to \$1 per share annually.

This stock is great for the investor who wants little risk in their investment, but also room for growth. Its latest growth came from the revival of its Asian business, with value increasing 23% from last year after some higher sales. The stock is now slowly creeping back up to share prices not witnessed in two years, perhaps in part to the [restructuring](#) of its business model that has some hoping the company can get back to those strong numbers.

The stock trades at \$24.51 as of writing, an increase of 25% since the beginning of the year.

Foolish takeaway

Dividend stocks don't have to be expensive to dish out a high passive income. Reinvesting these stocks is a great way to increase your passive-income portfolio for long-term growth. Even with \$5,000 in each stock, that could give you \$47,225.03 in a decade with dividends reinvested from a \$15,000 investment.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)

2. TSX:CHE.UN (Chemtrade Logistics Income Fund)
3. TSX:MFC (Manulife Financial Corporation)

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