Passive-Income Hunters: 3 Top Stocks to Add $6,250 to Your Annual Income

Description

Hello there, Fools. I'm back to highlight three top dividend-growth stocks. As a quick reminder, 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 below offer an average dividend yield of 2.5%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $6,250 annual income stream. And it's all completely passive.

Let's get to it.

Living the good life

Leading off our list is life insurance giant **Manulife Financial** (TSX:MFC)(NYSE:MFC), which has steadily grown its dividend 72.5% over the past five years.

Manulife's payout growth should continue to be supported by solid operating efficiency, strong growth from Asia, and a sound financial position. In Q1, core earnings improved 15%, new business value jumped 31%, and core ROE increased to 14.2% from 13.4% in the year-ago period.

"We continue to make progress in the execution of our digital customer-centric strategy, including the roll-out of our electronic claims systems in Asia, as well as an industry-first voice-enabled retirement product in the U.S.," said CEO Roy Gori.

Manulife shares are up 24% so far in 2019 and currently offer a healthy dividend yield of 4%.

Rolling right along

With smooth dividend growth of 97% over the past five years, retail giant **Canadian Tire** (TSX:CTC.A) is next on our list.

Canadian Tire's dividend is nicely underpinned by favourable real estate locations, strong brand recognition, and a steadily growing financial services business. In the most recent quarter, consolidated same-store sales — a key metric in gauging the health of a retailer — were up 6.1% year over year. Moreover, financial services revenue increased 7.8% over the year-ago period.

"Ending our winter season with exceptional sales performance positions us well as we enter our second-largest quarter of the year," said President and CEO Stephen Wetmore.

Canadian Tire shares have climbed 21% so far in 2019 and currently offer a solid yield of 1.6%.

Stan the man

Rounding out our list is engineering and construction company **Stantec** (TSX:STN)(NYSE:STN), which has provided five-year dividend growth of 55%.

Stantec's wide geographic reach and significant market share should continue to benefit shareholders, as infrastructure spending grows globally. In the most recent quarter, net income jumped 22%, revenue improved 11.8% to $904 million, and contract backlog grew to $4.4 billion.

"We are particularly pleased with the strong organic growth achieved in our global business, which demonstrates the value of our growing geographic reach and augments the diversity of our business mix," said President and CEO Gord Johnston.

Stantec shares are up 6% so far in 2019 and currently offer a decent yield of 1.8%.

The bottom line

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

As always, don't consider them formal recommendations. They're simply a starting point for more research. The breaking of a dividend-growth streak can be especially painful, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:STN (Stantec Inc.)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:MFC (Manulife Financial Corporation)

5. TSX:STN (Stantec Inc.)

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