Retirees: This Passive-Income Stream of $10,250/Year Is Real and it Grows

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 4.1%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $10,250 annual income stream. And it's all completely passive.

Let's get to it.

Natural selection

Leading off our list is natural gas midstream company **Enbridge** (TSX:ENB)(NYSE:ENB), which has doubled its dividend payout over the past five years.

Enbridge's cash-rich asset base, high-quality clientele (93% are investment grade), and strong management team continue to deliver the goods for shareholders. In this morning's Q2 release, the company posted non-GAAP earnings per share of $0.67 — topping estimates by $0.08 — and distributable cash flow (DCF) of $2.3 billion.

Looking ahead, management reaffirmed its full-year DCF view of $4.30-$4.60 per share.

"[I]t was another strong quarter for the company and we're pleased with the performance across each of the business units as well as the progress being made on key priorities," said CEO Al Monaco.

Enbridge currently offers a juicy yield of 6.7%.

Fortis of strength

With dividend growth of 38% over the past five years, electricity giant **Fortis** (TSX:FTS)(NYSE:FTS) is next on our list.

Fortis's massive scale ($53 billion in total assets), highly regulated operating environment, and stable cash flows continue to underpin its consistently rising dividend. In fact, the company has increased its dividend payment for 44 consecutive years.

In its Q2 release this morning, management said it continues to target annual dividend growth of roughly 6% through 2023.

"Over the long term, Fortis is well positioned to enhance shareholder value through the execution of its capital expenditure plan, the balance and strength of its diversified portfolio of utility businesses, and growth opportunities within and proximate to its service territories," wrote the company.

Fortis currently yields a healthy 3.5%.

Baked goody

Rounding out our list is food giant **George Weston** (TSX:WN), which has delivered steady dividend growth of 22% over the past five years.

George Weston's payout growth is underpinned by its defensive nature, diversified business model (bakery products, grocery stores, retail real estate), and solid cash flows. In the most recent quarter, EPS of $1.70 easily topped expectations as revenue improved 3% to $11.6 billion.

Looking ahead, management expects positive same-store sale and stable gross margins for the full year 2019.

"George Weston's operating businesses continued to perform well in the second quarter," said Chairman and CEO Galen Weston. "Loblaw delivered on its financial plan and is in a disciplined investment phase."

Shares of George Weston currently offer a decent yield of 2%.

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 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. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:WN (George Weston Limited)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/08/23
Date Created
2019/08/02
Author
bpacampara