Retirees: 3 Top Stocks to Claim Growing Income for Life

Description

Hi again, 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 3.9%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $9,750 annual income stream. And it's all completely passive.

Let's get to it.

Royal treatment

Leading off our list is financial services giant **Royal Bank of Canada** (TSX:RY)(NYSE:RY), which has steadily grown its dividend 41% over the past five years.

RBC's highly regulated operating environment, massive scale, and diversified business model continue to support growing payouts for shareholders. Despite a revenue slump at its investment bank — RBC Capital Markets — Q3 EPS improved 6% and revenue grew 5% to $11.5 billion.

Meanwhile, RBC's CET1 ratio — a key measure of a bank's capital position — improved to 11.9%.

"RBC is well-positioned to further grow our market share and navigate the evolving market environment," said President and CEO Dave McKay.

RBC shares are down about 6% over the past three months and currently offer a dividend yield of 4.1%.

Chugging along

With a dividend that has more than doubled over the past five years, railroad behemoth **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is next on our list.

CN Rail's dividend continues to be supported by strong economies of scale, as well as timely tailwinds in the form of rising rail traffic and price increases. In Q2, revenue improved 9% to $4 billion, including a 25% spike in its petroleum and chemicals segment.

Looking ahead, management sees full-year adjusted EPS growth in the double-digit range.

"Our focus on delivering profitable growth and advanced technologies to modernize our scheduled railroading model is expected to continue driving long-term value creation for our shareholders," said President and CEO JJ Ruest.

CN shares are up 29% in 2019 and offer a yield of 1.7%.

Keying in

Rounding out our list is midstream energy company **Keyera** (TSX:KEY), which has delivered steady dividend growth of 45% over the past five years.

Keyera's payout growth is underpinned by well-integrated assets across the nation, smart acquisitions, and strong cash flows. In its Q2 results last month, EPS doubled over the year-ago period. Meanwhile, distributable cash flow clocked in at a solid $144 million.

Based on that strength, management hiked its monthly dividend by 7% from $0.15 to $0.16, or $1.92 per share annually.

"Our midstream services remain in high demand and our capital projects are on schedule and on budget," wrote the company.

Keyera shares are up 23% so far in 2019 and currently offer a juicy dividend yield of 6%.

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. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:KEY (Keyera Corp.)
5. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/15
Date Created
2019/09/01
Author
bpacampara