3 High-Yield Dividend Stocks With Insane Dividend Growth

Description

There are many benefits to having dividend stocks in your investment portfolio. Not least of which is that during a recession, you will still be receiving income every year, quarter, or even every month no matter how your shares perform.

But beyond a recession, one of the great things about dividends is that you can use that cash to reinvest it into your portfolio. While a high-yield dividend stock can look great on the surface, you also want to make sure that the dividend will continue for the foreseeable future — and of course that the dividend will increase in the future as well.

With that in mind, here are three dividend all-star stocks with a history of super high dividend increases.

CP

A dividend yield of 1.11% right now may not seem like a lot, but with the share price near $300, it leaves **Canadian Pacific Railway Ltd.** (TSX:CP)(NYSE:CP) with an annual dividend that's still quite high.

As I mentioned, the share price is near $300 at writing, but still trading a little bit below in the $290 rang, which leaves this stock at a significant discount for buy-and-hold investors.

CP has also undergone some significant growing pains in the last few years, putting money straight into investor pockets. So if you're a bargain hunter for dividend stocks, CP should be top of your list. In the last five years, the dividend has increased an incredible average of 27% each year, with 137% in total in the same time.

TD

Of all the Canadian banks, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) probably offers investors the best deal right now. The stock has a fair value around $80 per share, but remains a discount at about $75 per share as of writing.

The biggest benefit that this stock has moving forward is that TD is working toward having a share price similar to that **Royal Bank** and **CIBC**. That's because of its recent expansion into the United States, where the bank has become one of the country's top 10 banks, and it's only in the beginning of its expansion process.

This expansion should significantly add to the company's cash flow for the long-term, meaning that not only is its dividend safe, but it's likely to continue jumping for the next few years at least.

While the bank doesn't have the highest annual dividend of the big Canadian banks, it does have the highest increases. The company has increased its dividend on average by 12% annually for the last five years for a total of about 60% increase in that period.

Inter Pipeline

Finally, it appears that investors are finally paying attention to pipeline and energy company **Inter Pipeline Ltd.** (TSX:IPL). A recent offer that was quickly rejected by the company made Inter Pipeline headline news, leaving investors flocking to the company that still remains undervalued at its current share price of around $23 per share as of writing.

The company is working toward offering a dividend yield that would rival many of its peers; right now the dividend yield is at about 7.1%. That yield is high, but it actually comes in at $1.71 per share per year, which is roughly half of what many of its peers offer.

Similar to its peers, Inter Pipeline is currently in growth mode, with a series of projects that could bring in some serious cash flow over the next few decades. The Heartland Petrochemical Complex in particular will add significant cash flow for long-term investors.

This dividend therefore has a lot more growth to come. At an average of 6% per year over the last five years, that's already looking like some great growth.

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