# 3 Dividend-Growth Stocks to Help You Retire Rich!

## Description

Investors saving for retirement and looking for dividend stocks should consider companies that raise their payouts over time, as that can help maximize dividend income over the years.



When a company raises its dividend, a shareholder is making more on their initial investment and earning a greater return. Below are three stocks that have consistently grown their dividends and that could be great buys today.

**Fortis** (TSX:FTS)(NYSE:FTS) currently pays its shareholders a dividend yield of 3.4% per year. There are certainly higher-yielding stocks that investors can hold, but the utility company is particularly attractive, not because of its payouts today, but how much they have grown over the years.

The company's most recent dividend of $0.45 has risen from $0.32 five years ago. That's an increase of more than 40% and comes out to an average compounded annual growth rate (CAGR) of 7%. That's a good, reasonable rate of growth that might be realistic for investors to expect going forward, assuming that the company continues producing strong results, which, at this point, seems very likely.

To help put into perspective of just how impressive that growth has been, it would take a little more than 10 years for Fortis's dividend payments to double if the company continued raising payouts by 7% every year.

The stock could be a great long-term option for investors looking for stability and a rising dividend.

**Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) pays a higher dividend than Fortis, yielding about 4.9% today, and it too has been raising its payouts as well. Five years ago, the stock was paying a quarterly dividend of $0.66, which it has since grown to $0.90. That's a more modest increase than Fortis, coming at 36% and a CAGR of 6.4%.

That would add about a year extra for Scotiabank's dividend to double, taking a little over 11 years to do so. However, with a higher yield, there's also less of a reason investors will be looking for a big growth rate.

Anything over the rate of inflation is a positive for investors, as it ensures that the dividend isn't stagnant and the purchasing power from the added income isn't decreasing.

Like Fortis, Scotiabank is a good buy for its dividend and the Big Five bank can offer investors even more stability over the long term.

**BCE** (TSX:BCE)(NYSE:BCE) is paying investors that highest yield on this list right now at around 5% per year. And what's impressive is that the stock price has been rising and trading at a high for the year. Since yield is inversely related to share price, a rising stock means the dividend investors are earning becomes less as a percentage of their total investment.

Year to date, BCE's stock has risen around 20%. Its dividend has also been rising from $0.618 back in 2014 to $0.793 for an increase of 28% and a CAGR of 5.1%. It's the slowest growth rate on this list and it would take about 14 years for dividend payments to double in value.

However, that doesn't mean the stock is a worse buy than the other two on this list. BCE is a strong stock that has exposure in multiple industries, and that has helped make the stock a very stable investment over the years. It's a good option for investors that want a simple buy-and-hold stock that they won't have to worry about over the long term.



**CATEGORY**

1. Dividend Stocks
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**TICKERS GLOBAL**

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
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