



Passive-Income Seekers: 3 Dividend-Paying Stocks to Buy in November

Description

Passive income is the engine that powers the compound growth in your portfolio. When you own great long-term stocks that increase their dividends often and have payout ratios that are highly sustainable, you can own the stocks forever and not worry about them.

Sometimes, even as stock prices are appreciating rapidly, and you can sell the shares and make multiple times your initial investment, it still makes more sense to hold the stocks, because the dividend yield is just too attractive.

These companies are key to find, not just for the impressive and attractive dividends they can offer, but also because they will be the best stocks to protect your capital during market downturns.

It may not even be a market-wide incident; it could be an unlucky event that's company specific, which is why finding high-quality operators that can manage the issues is highly important.

The ability to have strong operations and a margin of safety in the payout ratio will give the company flexibility and ultimately keep its dividend in the best shape.

For investors looking to find these top [dividend](#)-paying stocks, I'd recommend looking at the Canadian Dividend Aristocrats list.

Three of the top Dividend Aristocrats you can buy today are **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), **Parkland Fuel** ([TSX:PKI](#)), and **Cogeco Communications** ([TSX:CCA](#)).

Algonquin

Algonquin is a renewable energy and utilities company. It's one of the top operators in its industry and continues to execute to perfection.

The utilities company has more than 750,000 customers in the United States and is engaged in providing rate regulated natural gas, water, and electricity distribution services.

Algonquin is also engaged in the generation and transmission of the electricity as well, which comes from its renewable energy facilities.

Currently, it has over 1,150 MW of capacity that come from wind, solar, and hydroelectric generating assets. It also has a number of future renewable growth projects in development.

Algonquin has long been a strong operator and with a significant portion of its business being rate regulated, it's highly stable.

The dividend yields 4% today and has a payout ratio that's only 76%.

Parkland

Parkland is one of the largest fuel marketers, retailers, and convenience store operators in Canada and the Caribbean. It's also rapidly growing its business in the United States.

The company has made huge strides the last few years and has positioned itself as one of the best in the industry. Its earnings before interest, taxes, depreciation, and amortization (EBITDA) is growing almost exponentially, with trailing 12-month EBITDA at the end of the second quarter up nearly 500% from the same quarter in 2015.

What has really helped recently is Parkland's efforts to consolidate its locations under a few brands in order to try and grow its customer loyalty.

This has paid off well, which is why its operations have grown so incredibly and why it should continue to see growth into the future. Despite being a high-growth stock, the company still pays a dividend which yields roughly 2.7%.

Cogeco

Cogeco is a media and telecommunications company headquartered in Montreal. It serves customers in Ontario, Quebec, and the U.S., offering cable and internet service. In Ontario, it's the second-largest cable operator, and in the U.S., it's the ninth largest.

Cogeco sees tonnes of growth for itself both organically and through acquisition, especially in the U.S. market, which should be rewarding to shareholders down the road.

For now, its strong operations and geographic diversification help to minimize risk and keep the dividend as strong as possible.

Its dividend yields roughly 2% today, but it has a payout ratio below 33%, which is extremely low and could be increased soon.

Bottom line

No matter the company, the industry, or how high the yield is, if the dividend isn't stable and you aren't comfortable with it, you should pass on the stock.

You wouldn't want one stock bringing down your whole portfolio, so doing your research is crucial to find the best companies that are stable and cheap.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CCA (COGECO CABLE INC)
4. TSX:PKI (Parkland Fuel Corporation)

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