



## Lazy Retirees: 3 Top Dividend Growth Stocks for 2020

### Description

Hi, 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 [rising income stream](#); and
- tend to outperform the market averages over the long haul.

The three stocks below offer an average dividend yield of 3.7%. Thus, if you spread them out evenly in an average [\\$250,000 RRSP account](#), the group will provide you with a growing \$9,250 annual income stream. And it's all completely passive.

Let's get to it.

### Bank on it

Leading things off is financial gorilla **Bank of Nova Scotia** ([TSX:CM](#))([NYSE:CM](#)), which has grown its dividend 40% over the past five years.

Scotiabank's sheer scale (total assets of \$597.1 billion), massive deposit base (\$461 billion), and regulated banking environment should continue to support strong dividend growth for many years to come. In the most recent quarter, adjusted earnings improved 4% on strong performance in Canadian personal and small business banking.

"In the third quarter, we delivered solid results through the continued execution of our client-focused strategy," said CEO Victor Dodig. "Our diversified growth on both sides of the border is a result of a highly connected, purpose-led team working together to meet the needs of our clients."

Scotia shares currently yield a tasty 4.8%.

## Electric opportunity

With dividend growth of 39% over the past five years, electric and gas utility **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is next up on our list.

Fortis' reliable dividend growth continues to be underpinned by massive scale (\$52 billion in total assets), recurring cash flows (3.3 million customers), and a highly regulated operating environment. In the most recent quarter, EPS of \$1.66 topped estimates as revenue inched up 1% to \$2 billion.

"Fortis expects long-term sustainable growth in rate base to support continuing growth in earnings and dividends," wrote the company. "Fortis is targeting average annual dividend growth of approximately 6% through 2023."

Fortis shares are up an impressive 49% so far in 2019 and currently offer an attractive yield of 3.6%.

## Park it here

Rounding out our list is oil and gas refiner **Parkland Fuel** ([TSX:PKI](#)), which has grown its dividend 12% over the past five years.

Parkland's stable payout growth continues to be backed by its integrated supply chain, massive volumes (~22 billion litres of annual fuel volume), and diversified geographic reach. In the most recent quarter, EPS clocked in at \$0.70 as revenue jumped 28% to \$4.9 billion.

"The strength of Parkland's diverse portfolio and integrated assets was on full display in the second quarter, driving outstanding results" said CEO Bob Espey. "Our International, USA and Supply segments underpinned our performance, and we also benefited from further synergy capture including early wins within Sol."

Parkland shares are up 25% in 2019 and offer a solid dividend yield of 2.7%.

## The bottom line

There you have it, Fools: three top 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:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)
5. TSX:PKI (Parkland Fuel Corporation)

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