2020 RRSP Picks: 3 Top Stocks to Secure Income of $12,333/Year

**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 4.9%. Thus, if you spread them out evenly in an average $250K RRSP account, the group will provide you with a growing $12,333 annual income stream. And it's all completely passive.

Let's get to it.

## Renewed interest

Leading things off is renewable energy provider **TransAlta Renewables** (TSX:RNW), which has grown its dividend 22% over the past five years.

TransAlta's solid network of 34 renewable power-generation facilities and diversified nature — wind, gas, hydro, solar — should continue to support steady dividend growth for many years to come. In the most recent quarter, adjusted funds from operations increased to $69 million while distributable cash improved by $2 million.

"We remain very focused on successfully commissioning our two U.S. wind projects prior to the end of the year," said President John Kousinioris. "In addition, we are continuing work to add further accretive projects to our portfolio, including potential additional drop-down opportunities from **TransAlta Corporation**."

TransAlta currently offer an attractive dividend yield of 6.5%.

## Canadian bacon

With dividend growth of 55% over the past five years, electricity provider **Canadian Utilities** (TSX:CU) is next up on our list.

Canadian Utilities's reliable dividend growth continues to be underpinned by economies of scale ($22 billion in assets), global reach (two million-plus customers worldwide), and highly stable cash flow. Over the past year, the company has generated $1.35 billion in operating cash flow, even amid softening revenue.

"Our success as a financially secure and stable energy infrastructure company is a result of our disciplined and prudent capital investment in utility and utility-like assets with regulated or long-term contracted earnings," said CFO Dennis DeChamplain in the most recent conference call.

Canadian Utilities currently offers a dividend yield of 4.4%.

## Sunny-side up



Rounding out our list is oil and gas giant **Suncor Energy** (TSX:SU)(NYSE:SU), which has grown its dividend 59% over the past five years.

Suncor's stable payout growth continues to be backed by high-quality assets, a strong presence in the Athabasca oil sands, and hefty cash flow generation. In the most recent quarter, Suncor generated $2.7 billion in funds from operations, even as revenue declined 10%.

With that cash flow, management returned $1.4 billion to shareholders during the quarter through dividends and increased buybacks.

"Suncor generated $2.7 billion in funds from operations and $1.1 billion of operating earnings during the third quarter, reflecting the ability of our integrated business to deliver strong results across a wide range of market conditions" said CEO Mark Little.

Suncor shares currently offer an attractive dividend yield of 3.9%.

## 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:SU (Suncor Energy Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:RNW (TransAlta Renewables)
4. TSX:SU (Suncor Energy Inc.)

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