3 High-Yield Dividend Growth Stocks to Buy in 2020

Description

The year 2019 has been a great year for the stock market, yet a number of high-yield growth stocks still abound.

Normally, very hot markets push dividend yields lower. The higher a stock's price goes, the lower a dividend worth "x" number of dollars will be as a percentage of it.

However, the current year's bull market came after a large correction near the end of 2018, which means that valuations still aren't insanely high.

Not only are there plenty of stocks with high yields, but many of them are producing solid dividend growth. The following are just three **TSX** stocks that not only have high yields now, but could grow their dividends into the future.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is Canada's largest pipeline company, shipping crude and LNG all over North America.

The company sports a very high dividend yield of 5.83% at current prices. That's after a few months of solid gains; in August you could have gotten a yield as high 6.5%.

Not only is Enbridge a high-yield stock, but it also has great historical dividend growth. Over the past five years, dividend increases have averaged 17% per year, which is well above average for the TSX.

With the payout ratio coming in at just 66% of distributable cash flow, the company can keep paying its dividend well into the future.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is Canada's fastest-growing bank, with a hot U.S. retail business powering growth that the rest of the Big Six can't match.

TD sports a 3.85% yield at current prices, which is a high payout. That's not the full picture, however. In addition to having a high yield based on its current price and trailing 12-month dividend payouts, the stock also has strong historical dividend growth. Raising its dividend by about 9.5% a year on average over the past five years, it's a solid dividend grower.

One big piece of news from TD this year was the acquisition of **TD Ameritrade** by **Charles Schwab.** TD Ameritrade was a 42%-owned subsidiary of TD that took a hit after the rise of the no-fee trading trend.

The deal will give TD 13.4% of Charles Schwab shares, which may be good news, as that company relied on trading fees much less than TD Ameritrade did.

Telus

Telus Corp (TSX:T)(NYSE:TU) is one of Canada's big telecommunications companies, a cell and internet service provider.

In its most recent quarter, Telus delivered solid results, including 246,000 new internet subscribers, 192,000 new cell phone subscribers, 8.3% growth in EBITDA, and its 18th consecutive dividend increase.

On the topic of dividends, Telus yields 4.65% at current prices and has been raising its payout by approximately 9.1% a year on average over the past five years.

As well, management is aiming for dividend increases in the 7-10% a year range for the next few years, so if all goes well, we can expect the payouts to keep rising.

Overall, if you're looking for high yield and dividend growth in one package, Telus is a solid contender.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TU (TELUS)
4. TSX:ENB (Enbridge Inc.)
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