



## Revealed: 3 Top Dividend-Paying Stocks for Millennial Investors

### Description

With corporate pension plans going the way of the rotary telephone, millennials who don't aggressively invest their savings run the risk of running out of money during their golden years.

These investors need to take a slightly different approach over folks who are closer to [retirement age](#). They need to be a little more aggressive and ensure that they buy stocks with decades' worth of growth potential. A premium price might have to be paid for such an investment, but it'll be worth it.

Certain millennial investors might also want to insist on dividends: I know / do. Dividends protect investors and give a source of steady returns during periods when the share price isn't cooperating, and company-sponsored dividend reinvestment plans often allow those dividends to be reinvested in discounted shares.

Let's take a closer look at three great dividend stocks for millennial investors.

### Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) continues to be my favourite Canadian bank stock today for one simple reason. It has ample exposure to Latin America, a part of the world I expect to grow at a nice pace for decades to come.

Sure, there will be bumps in the road. The region isn't exactly known for stability, after all. But I'm fine with temporary setbacks because results from the bank's Latin American operations have been so good.

Earnings from the region account for about a quarter of the bank's total bottom line and are growing at a quicker pace than the rest of the company.

Scotiabank's crown jewels continue to be the Canadian operations, with the company secure as the third-largest bank in Canada. It continues to grow by increasing mortgages, boosting the wealth management business and making bolt-on acquisitions. Canadian banking isn't a sexy business by

any means, but it's steady and provides solid returns.

Finally, Bank of Nova Scotia offers investors a 4.8% yield and, like its peers, has an exemplary history of growing the payout.

## A&W

You might not realize it, but Canada's second-largest burger chain has been quietly killing it since its 2002 IPO. **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) continues to deliver solid growth, an ever-increasing dividend, and great overall results.

The company just announced a net 37 store addition to its royalty pool going forward, which should be enough to boost the top line by 4-5% in 2020.

Add in the all-important same-store sales growth — which should be boosted by the recent introduction of a plant-based Chicken nugget to the menu — and we have the formula for solid short-term results. Long-term gains should be excellent too, driven by a relentless focus on good food and clever marketing.

This growth will undoubtedly be passed onto shareholders in the form of [higher dividends](#). A&W has been a dividend-growth machine over the years, including a streak of six consecutive quarters of dividend increases. Shares yield 4.8% today.

## Algonquin

**Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a power and utilities operator with two notable growth paths. It can either acquire new utility businesses, or continue to develop and acquire private power plants. Both of these businesses look promising going forward.

The company recently unveiled a plan that will see it spend more than US\$9 billion on capital projects in the next five years, with about two-thirds of that investment going to the utility business.

Remember, this doesn't count any potential acquisitions, which Algonquin has regularly made over the years. Recent deals include buying an electric utility in Bermuda and water assets in New York State.

Algonquin plans to increase its bottom line by 9-11% per year over the next five years, which should easily be enough to allow it to continue raising the dividend. The payout has increased every year for a decade and the current yield is just a hair under 4%.

## The bottom line

Bank of Nova Scotia, A&W, and Algonquin are great investments for millennials because they are all exceptional businesses, pay succulent dividends, and offer solid growth potential going forward. You can't ask for much more than that.

## CATEGORY

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:AW.UN (A&W Revenue Royalties Income Fund)
5. TSX:BNS (Bank Of Nova Scotia)

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## **Date**

2025/08/18

## **Date Created**

2019/12/11

## **Author**

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