TFSA Investors: 3 Dividend Stocks That Pay Up to 11.3%

Description

Whether you like recurring dividend income or just want something that can help pad your overall returns, dividend stocks can play an important role in your portfolio's long-term growth.

Below are three dividend stocks that can appeal to a variety of Tax-Free Savings Account (TFSA) holders, including those who love stability and those who value high yields.

Northland Power (TSX:NPI) is clean energy stock that can be an attractive long-term buy, not only for its dividend, but also for the growth potential it possesses.

With a focus on developing green power using renewable energy sources, including wind and solar power, Northland has a bright future ahead of it.

Although sales growth has been steady, rising a modest 13% in 2018 as consumers move toward renewable sources of energy, demand for Northland's services could quickly rise in the coming years.

For now, investors can benefit from its dividend, which currently pays shareholders a monthly dividend of $0.10 and yields an annual return of around 4.2%.

It's a good payout that gives investors the opportunity to benefit from recurring income as well as the potential capital appreciation the stock may generate.

Northland's stock is trading at a forward price-to-earnings multiple of just 14 and could be a solid value buy today with a lot of upside.

Jamieson Wellness (TSX:JWEL) is another good option for dividend investors. While the popular vitamin maker isn't the cheap buy that Northland Power is, the company's broad sales globally can help add some valuable diversification to a portfolio today.

Its health products are well known, and the company's strong brand makes it an appealing long-term investment, as its products are not likely to fall out of favour with consumers anytime soon.

The company pays investors a more modest dividend yield of just 1.5% today. While that may not be terribly high, what’s appealing about Jamieson is that with a beta value of just 0.5, the stock is isn’t that volatile.

It can be a solid option for investors who want a mix of stability and dividend income, and it can be especially valuable if economic conditions deteriorate.

However, that doesn’t mean investors can’t earn a good return from owning the stock, as over the past 12 months, shares of Jamieson rose by more than 20%.

American Hotel Income Properties REIT (TSX:HOT.UN) is a bit of a riskier option for investors. Currently paying a monthly dividend of US$0.054, American Hotel pays a dividend of about 11.3% per year.

There’s definitely a chance that the company may reduce its dividend payments if the stock continues to struggle, but the positive is that American Hotel has posted a profit in each of its two most recent earnings reports.

And as long as the U.S. economy continues to exhibit stability, the demand for American Hotel’s properties is likely to remain high as well.

The stock has seen some stability of late, and its share price has even risen 8% over the past six months. The key will be whether it can improve on its slim bottom line. In order to help generate some bullishness around the stock, investors will want to see some stronger profits.

American Hotel could be an attractive stock for its dividend, but investors should keep a close eye on it, as it is a lot riskier than the other two stocks on this list.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HOT.UN (American Hotel Income Properties REIT LP)
2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:NPI (Northland Power Inc.)

Category

1. Dividend Stocks
2. Investing

Date
2025/08/18
Date Created
2020/01/26
Author
djagielski