Plunk $3,300 Into Each of These 3 Stocks and You Could Watch Your Wealth Grow Forever

Description

Hello there, Fools. I'm back to highlight three attractive dividend-growth stocks. As a quick reminder, I do this because companies with consistently growing dividends

- can provide an ever-increasing income stream; and
- tend to outperform over the long haul.

So, even if you have just $10,000 you'd like to put to work, spreading it out among the three stocks below could give you a perpetually growing income machine.

Let's get to it.

Rolling along

Leading off our list is retail giant **Canadian Tire** (TSX:CTC.A), which has grown its dividend a whopping 107% over the past five years

Canadian Tire shares have held up very well in recent months, suggesting that the worst might be behind it. Long term, the company's reliable dividend growth continues to be backed by an iconic brand, rapidly growing e-commerce segment, and massive scale advantages (over 1,700 locations across Canada).

In the most recent quarter, diluted EPS came in at $(0.22) as total revenue decreased 1.4% to $2.85 billion. But on the bright side, the Canadian Tire brand delivered a 0.7% increase in same-store sales, despite the impacts of COVID-19.

"I am very encouraged by early results in the second quarter, and I am confident that we will continue to successfully operate in this new normal and excel over the long-term," said CEO Greg Hicks.

Canadian Tire currently offers a dividend yield of 3.9%.

The good life

With dividend growth of 62% over the past five years, **Manulife Financial** (TSX:MFC)(NYSE:MFC) is next on our list.

Manulife shares have yet to recover from their big fall in March, but now might be an opportune time to jump in. Specifically, the company's strong operating efficiency, tremendous growth potential in Asia, and rock-solid fundamentals should continue to underpin strong dividend payments over the long haul.

In the most recent quarter, core earnings declined 34% to $1 billion, while core return on equity (ROE) — a key insurance metric — clocked in at 8.2%.

On the bullish side, the company's leverage ratio remains at a solid 23%.

"Our balance sheet has shown resilience in challenging market conditions," said CFO Phil Witherington. "This combination provides financial flexibility and puts us in a position of strength during challenging macroeconomic times."

Manulife currently offers a dividend yield of 6.0%.

Power play

Rounding out our list is power provider **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN), whose dividend has risen 77% over the past five years.

Algonquin shares have been resilient over the past several months, suggesting that it remains an ideal way to play defence. Over the long run, Algonquin's highly regulated operating environment, solid scale (70 power facilities across North America), and hefty cash flows should support solid returns.

In the most recent quarter, adjusted EBITDA improved 5% even as revenue dipped 3% to $465 million.

"APUC's strong and resilient business model allowed the Company to continue growing in the first quarter of 2020 while navigating through what was a challenging weather environment," said Ian Robertson," said CEO Ian Robertson. "We believe APUC is well positioned to deal with the impact COVID-19 may have on our business in 2020."

Algonquin shares currently offer an attractive dividend yield of 4.9%.

The bottom line

There you have it, Fools: three attractive dividend-growth stocks worth checking out.

As always, they aren't formal recommendations. They're simply a starting point for more research. The snapping of a dividend-growth streak can be particularly painful, so plenty of due diligence is still required.

Fool on.

CATEGORY

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
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3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)
5. TSX:MFC (Manulife Financial Corporation)

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Date
2025/09/04
Date Created
2020/06/27
Author
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