3 High-Yielding Stocks Whose Dividends Will Double Over the Next Decade

Description

Many investors may find themselves in a position where they need current income, but also need that income to increase over time. Whether it is an anticipated growth in living expenses or simply wanting to keep up with inflation, there are many reasons why investors may need their income to increase over time.

Luckily, there are many great Canadian stocks that can fulfill an investor's need for both current income and income growth. Three such stocks are **TELUS Corporation** (TSX:T)(NYSE:TU), **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD), and **Enbridge Inc.** (TSX:ENB)(NYSE:ENB).

Telus

In a post-pandemic world, Telus is the best situated of the Big Three telecom companies. This is partly because Telus does not have heavy investments in sports and sports media like such companies as **BCE Inc.** and **Rogers Communications Inc.** Sports have been hard hit and professional leagues have come to a standstill. As sports resume, they will likely do so without fans for a significant period.

Conversely, Telus has a health division called Telus Health. This division was created following Telus's purchase of Emergis back in 2007. Telus Health provides IT solutions to the healthcare industry. Needless to say, Telus' non-core venture is better positioned than BCE's and Rogers's sports empires are to succeed in a post-pandemic world.

Telus currently yields 5.1%. Telus has raised its dividend roughly 9% per year for the past decade. If Telus continues this rate of dividend growth into the future, Telus's dividend should double in 8 years.

TD Bank

TD Bank is one of the Big Five Canadian banks. All of the Big Five have a long and storied dividend history. TD's unique aspect among the Big Five is that it has the most U.S. exposure. The bank actually has more branches in the United States than it does in Canada, although its Canadian loan book is still larger than its U.S. loan book.

The U.S. exposure has provided significant currency tailwinds, as well as a sharp job market recovery in May and June. This has certainly helped TD protect the value of its loan book and limit its impaired loan losses. This is evident as other Big Five peers, such as **The Bank of Nova Scotia**, with exposure to harder hit economies, have lagged TD's performance since March.

TD currently yields 5.3% and has raised its dividend roughly 10% per year for the past decade. If TD continues this rate of dividend growth into the future, TD's dividend should double within 8 years.

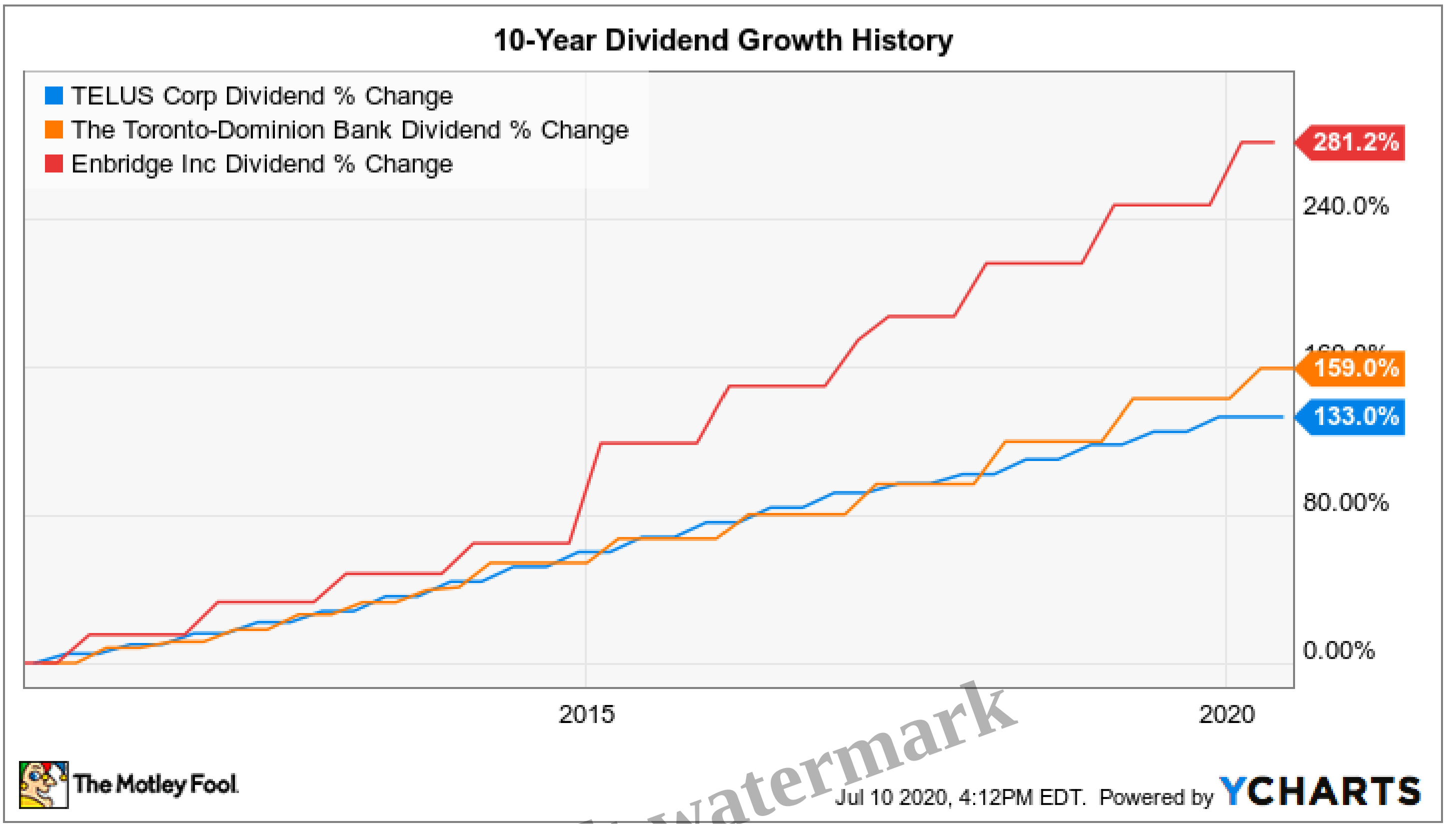
Enbridge

Enbridge is one of the best plays in the energy space for dividend investors. This is because Enbridge, as a midstream company, makes money on the movement of oil and gas. It is far less sensitive to the price fluctuations of oil and gas than a company such as **Suncor Energy Inc,** enabling it to pay consistent and growing dividends for the past 25 years.

Another advantage that Enbridge has is that pipelines are high-moat assets, which means that they are hard to replicate and build. Pipelines are very expensive to build, and building them is fraught with political risk as well. Therefore, owning pipelines that are currently in operation provides Enbridge with a competitive advantage that is unlikely to be eroded anytime soon.

Enbridge currently yields 8.1%. Enbridge has raised its dividend by roughly 14% per year for the past decade. If Enbridge continues this rate of dividend growth into the future, Enbridge's dividend should double within 6 years.

Takeaway



T Dividend data by YCharts

There is no need to sacrifice income growth for a high and stable starting yield. Telus, TD Bank, and Enbridge are all excellent examples of stocks that will generate substantial, yet growing, income streams for investors.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners
6. Top TSX Stocks

POST TAG

1. 5G
2. dividend
3. dividend stock
4. enbridge
5. energy
6. energy stocks
7. oil
8. pipeline
9. TD Bank

10. TD Bank Stock
11. Telus

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners
6. Top TSX Stocks

Tags

1. 5G
2. dividend
3. dividend stock
4. enbridge
5. energy
6. energy stocks
7. oil
8. pipeline
9. TD Bank
10. TD Bank Stock
11. Telus

Date
2025/07/19
Date Created
2020/07/14
Author
kwalton