



## 4 Dividend Stocks for 2021

### Description

Maintaining a healthy mix of growth and income-producing stocks is always sound advice. When it comes to income-producing stocks, there are plenty of options to choose from. Here are five great dividend stocks for 2021.

### Keep the pipes clear!

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a well-known energy infrastructure behemoth. The company is best known for its massive pipeline network, which generates a stable and recurring revenue stream. What prospective investors may not realize is that Enbridge is also a utility and a growing renewable energy producer. Further to that, the company has a sprawling list of shovel-ready projects that will drive earnings higher.

In the most recent quarter, Enbridge saw GAAP earnings come in at \$990 million, or \$0.49 per common share. In the same period last year, Enbridge reported \$949 million, or \$0.48 per share.

As an income investment, Enbridge offers an appetizing if not insane 8.10% yield. Part of the reasoning behind that yield can be traced back to the dismal year that 2020 was for most of the market. In the case of Enbridge, the stock is down 20% year-to-date — a discount that makes it one of the great dividend stocks for 2021 investors.

In terms of income, a \$20,000 investment will earn \$1,620 per year.

### Buy and forget this stock

It would be nearly impossible to cite a list of great dividend stocks for 2021 and not mention **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Fortis is one of the largest utilities on the continent, with operations across Canada, the U.S., and the Caribbean. In addition to offering a well-diversified portfolio, Fortis provides investors with a solid income stream.

That income stream is the best-kept secret among utility investors. In short, utilities provide a service and receive steady payments for providing that service. The terms are set out in regulated contracts that span a decade or more in duration. Much of that steady income stream is passed on to investors in the form of a quarterly dividend.

In the case of Fortis, that dividend works out to a respectable 3.88% yield. If that wasn't reason enough to buy Fortis, there's still more. Prospective investors should take note of Fortis' annual dividend hike, which currently extends to well-over four-decades of consecutive, annual hikes without fail. Again, buy it, and forget about it for a decade or more!

A \$20,000 investment in Fortis will start investors off with \$776 in the first year.

## You can bank on this stock

Canada's Big Banks are great investments. One such example is **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). CIBC is neither the largest or most well-known of Canada's Big Banks. What CIBC does offer however is growth and income packaged in a still-discounted package.

Earlier this month the stock broke out of the red for 2020, but has remained relatively flat despite a well-diversified portfolio. The bank has a sizable branch network in Canada, as well as in the U.S. During [the most recent quarter](#), the bank reported adjusted earnings of \$1,280 million, or \$2.79 per adjusted diluted share. In the same period last year, CIBC posted \$1,309 million, or \$2.84 per diluted share.

Turning to dividends, CIBC offers investors a quarterly payout with a handsome 5.25% yield. With a \$20,000 initial investment, that works out to \$1050 in the first year.

## Call me back in 10 years!

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a large telecom with plenty of potential. Actually, let me correct that: BCE is *huge*. In addition to operating one of the largest nationwide coverage networks, BCE has a massive media segment. On the media side, BCE has a swarm of TV and radio stations, as well as interests in professional sports teams.

Across BCE's subscription-based services, the wireless segment is what investors should be excited about. Wireless connections have grown in importance in recent years. Devices are no longer seen as just phones, but rather a necessary staple of our digital life.

In other words, a lucrative investment option that currently pays out a healthy 6.08%. A \$20,000 investment in BCE will earn investors \$1,216 in the first year.

## Buy these dividend stocks for 2021

No investment is without some risk. That said, the stocks outlined above are well-diversified, can [provide a handsome income stream](#), and are market leaders within their segments. In other words, these are great buys for nearly any portfolio.

Still need convincing? The combined \$4,662 in dividends noted above will grow with each passing year into a sizable nest egg.

## CATEGORY

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2. Investing

## TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:CM (Canadian Imperial Bank of Commerce)
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## Date

2025/08/26

## Date Created

2020/12/24

## Author

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