Income-Seeking Investors: 3 Top TSX Stocks to Back Up the Truck in 2021

Description

Dividend growth investing is one of the most underrated strategies out there. Based on historical returns, companies or stocks that have regularly increased dividends have notably outperformed broader markets in the long run. Along with decent returns, these stocks offer portfolio stability in volatile markets.

Here are three such TSX stocks that pay handsome dividends.

Enbridge

Be it the 2008 financial crisis or the pandemic of 2020, Canadian midstream energy giant **Enbridge** (TSX:ENB)(NYSE:ENB) kept on increasing its dividends. For 2021, it has increased dividends by 3% and is expected to pay a dividend of $3.44 per share. That represents a very juicy yield of 8.5%, more than double the TSX stocks.

Though markets at large have fully recovered from the pandemic-led crash, Enbridge stock is still trading 30% lower compared to its pre-pandemic levels. This could be a nice opportunity for long-term investors to grab the energy giant at a discount.

Enbridge is an oil and gas pipeline company and does not have direct exposure to crude oil prices. However, it has largely underperformed broader markets in the last few years because of the overall negative sentiment for the energy sector.

Interestingly, the worst seems to be over for the energy sector, and stocks could reach their pre-pandemic levels this year. Investors seeking stability and a decent passive income should consider Enbridge stock for their long-term portfolios.

Power Corporation of Canada

Another **TSX** stock that offers handsome shareholder payouts along with stability is **Power Corporation of Canada**

(TSX:POW). It is a $20 billion company that specializes in financial services in North America, Europe, and Asia.

Power Corporation has a majority interest in Canada's one of the biggest insurance companies **Great-West Lifeco** and wealth management company **IGM Financial**. Great-West has $1.6 trillion, while IGM Financial has over $190 billion of assets under management.

For the last 12 months ended September 30, Power Corporation reported net profits of $1.6 billion, representing year-over-year growth of 38%.

Power Corporation stock yields 6.3% at the moment. The stock has been flat for the last few years, but if you are seeking stable dividends, this could be a nice option.

BCE

My third stock pick for income investors is Canada's telecom giant **BCE** (TSX:BCE)(NYSE:BCE). It is currently trading at $55 and yields 6.1%. That means an investment of $10,000 will rake in $610 in dividends per year. Dividends will increase as the company manages to increase profits over the years. The company has increased its dividend by 128% since 2008.

BCE is the country's largest communications company that provides wireline broadband and mobile services. With the advent of the 5G technology, the entire telecom industry will likely see significant growth in the next few years. If you want to play the 5G boom, BCE stock should be on top of your list.

Bottom line

As earlier stated, these three TSX stocks offer stability along with consistent dividends. So, focusing only on growth stocks might not be prudent. An optimal allocation to dividend stocks should be vital while investing for the long term.

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