



Buy Now: 3 Valuable Income Producers

Description

Does your portfolio have income-producing potential? Securing one or more valuable income producers is an important feature of any well-balanced portfolio. Unfortunately, that important part is often dismissed by many investors. The good news is that the market provides plenty of great income-producers to choose from.

Here are three intriguing options to consider adding to your portfolio.

A century of steady dividend payouts awaits

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is one of the largest telecoms in Canada. As such, BCE should be one of the [first options](#) for any long-term investor to consider. Specifically, BCE's core subscription services provide a stable and recurring revenue stream, which feeds a handsome quarterly dividend.

That dividend currently provides an appetizing 6.07% yield. Given an initial \$25,000 investment in BCE, investors can expect to generate just over \$1500 income.

Adding to that appeal is the growing necessity of wireless service. Over a decade, wireless connections have gone from an auxiliary communications device to a digital extension of ourselves. In fact, hundreds of standalone devices have been replaced by applications, turning our devices into a modern necessity. That necessity continues to provide BCE with that recurring revenue, and in turn the handsome income I mentioned.

Over four decades of dividend hikes

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is one of the largest utilities on the continent. Fortis operates in multiple regions across Canada, the U.S., and the Caribbean. Additionally, the company currently has over 3.3 million customers and continues to seek out new expansion opportunities, which renders the stock a great defensive pick and a solid addition to any list of valuable income producers.

There are two compelling reasons for investors to consider Fortis: stability and income.

As a utility, Fortis is an incredibly stable investment choice, and that's thanks to regulated contracts, known as PPAs. The contracts can span decades and ensure a stable and recurring revenue stream in exchange for providing utility service.

Further, Fortis is investing heavily into transitioning toward renewable energy through its massive capital program. Fortis is managing to undertake that program while maintaining its current business. Again, this is a defensive pick for any portfolio.

Turning to dividends, Fortis offers a quarterly dividend that works out to a respectable 3.87% yield. Adding to that appeal is that Fortis has provided annual consecutive hikes to that dividend for over four decades. A \$25,000 investment in Fortis will generate \$960 in income.

How about a bank stock to top it off?

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is neither the largest or most well-known of Canada's Big Banks. CIBC does however offer investors a diversified branch network that blankets Canada and has expanded into the U.S. The movement into the lucrative U.S. market helps diversify the bank outside of Canada. Additionally, the expansion also appeased critics that often pointed to CIBC's exposure to some volatile segments.

Looking across the volatile year we just finished, CIBC finished 2020 in a better position than some of its peers. This is a complete reversal of how CIBC fared following the Great Recession, where it lagged its Big Bank counterparts. This leads some to believe the bank is overdue for a correction, but investor focus should stay on long-term potential.

In terms of a dividend, CIBC offers a tasty quarterly dividend that works out to a yield of 5.23%. A \$25,000 investment works out to just over \$1300 in income. That factor alone makes warrants adding CIBC as one of several valuable income producers for your portfolio.

Valuable income producers are everywhere

All three investments outlined above offer a steady and growing dividend. They also offer an impressive history of dividend increases and are well diversified across defensive segments of the market.

An investment of \$25,000 in each of those stocks will provide an annual income of \$3760. Keep in mind that this would be without touching your principal investment. Even better, [starting early and reinvesting those dividends](#) will provide even higher income potential.

In other words, buy these valuable income producers now and hold them for decades.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:FTS (Fortis Inc.)

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Date

2025/09/10

Date Created

2021/01/23

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