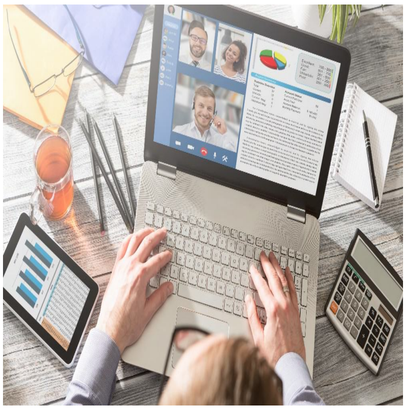

RRSP Deadline: 3 Dividend Stocks to Buy Before March 1

Description

The deadline to contribute to a Registered Retirement Savings Plan (RRSP) for the 2020 tax year is March 1, 2021. That means Canadians only have a few weeks to make their final moves before the next tax year kicks off. A recent report from Edward Jones Canada revealed that 52% of Canadians did not plan to contribute to an RRSP this year.

In the survey, 44% of those respondents said they could not afford to make the contribution due to the pandemic. The remaining 56% said that they were prioritizing Tax-Free Savings Account (TFSA) contributions or mortgage payments. If they can, investors should look to stash dividend stocks that offer decent value at this stage.

Today, I want to look at three dividend stocks that would fit perfectly in an RRSP before the March 1 deadline. Let's dive in.

Why you should stash this dividend stock before the deadline

Scotiabank (TSX:BNS)(NYSE:BNS) is sometimes called "The International Bank" due to its disproportionate global reach compared to the rest of the Big Six banks. This exposure has left it vulnerable during the COVID-19 pandemic. It leaned into fast-growing Latin American economies. This strategy has paid off for years, but these countries were devastated most by the pandemic. Shares of this dividend stock have been mostly static in the year-over-year period.

Investors can expect to see Scotiabank's first quarter 2021 results later this month. The bank exceeded analyst expectations in the fourth quarter of 2020. It also received a boost as it was able to reduce the quarterly provisions for loan losses. The global recovery is coming along slowly but should still provide momentum to start 2021 for Scotiabank.

I'd targeted Scotiabank as my top bank stock in January. Its stock last had a solid price-to-earnings ratio of 13 and a price-to-book value of 1.3. Better yet, Scotia offers a quarterly dividend of $0.90 per share. That represents a strong 5% yield.

A green energy stock perfect for an RRSP

Back in January, I'd discussed why investors should stash green energy dividend stocks. **Brookfield Renewable** (TSX:BEP.UN)(NYSE:BEP) is one of the most dependable dividend stocks in this space. RRSP investors can rely on its long-term growth potential and its income. Its shares have climbed 62% year-over-year as of late morning trading on February 10.

The company released stellar fourth quarter 2020 results on February 4. Funds from operations (FFO) rose to $201 million or $0.31 per share – up from $171 million or $0.29 per share. Overall, Brookfield achieved 6% growth in FFO in 2020. The company is in a great position as the new Biden administration sets its sights on bolstering the renewable energy space.

Brookfield offers a quarterly dividend of $0.434 per share, which represents a 2.6% yield.

One more dividend stock to buy before March 1

The last dividend stock RRSP investors should target is **Manulife Financial** (TSX:MFC)(NYSE:MFC). This top insurer and financial services company is poised to rebound with the global economy. Manulife has a strong history as a dividend payer, and it offers great value right now. RRSP investors should not overlook this dividend stock. The company will release its final batch of earnings at the end of today's trading session.

Shares of this dividend stock last had a favourable P/E ratio of 9.3 and a P/B value of 0.9. Moreover, it offers a quarterly dividend of $0.28 per share. That represents a 4.5% yield.

CATEGORY

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2. NYSE:BNS (The Bank of Nova Scotia)
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4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:BNS (Bank Of Nova Scotia)
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