



3 Great Growth Stocks That Pay Dividends

Description

When searching for the right stock to buy, investors often look mainly at whether a stock is one of the market's great growth stocks or whether it caters more to income investors. We often neglect to mention those growth stocks that also provide a handsome income stream.

Fortunately, there are several options that can cater to both of those needs. Here are three options for prospective investors to consider.

This telecom is growth focused

The stereotypical view of telecoms is that they are anything but growth focused. In fact, telecoms have earned a reputation as being [passive-income stocks](#) with little to any incentive (or ability) to invest in long-term growth initiatives.

That view couldn't be further from the truth, and a prime example of this is **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)). Rogers is one of the largest telecoms in Canada. In addition to operating the largest wireless network in the nation, Rogers is a media behemoth. The company has dozens of radio and TV stations under its media umbrella, which diversify it away from being a pure telecom.

So, what exactly makes Rogers a growth investment? Unlike most of its peers that have prioritized annual dividend hikes, Rogers has shifted its focus in recent years. Specifically, the company ceased providing annual dividend upticks and instead invested in growth initiatives and paying down debt. To be clear, that doesn't mean Rogers won't be providing future increases, but rather they will not be tied to an annual cadence. The last bump came in 2019.

That's not to say Rogers doesn't offer a handsome dividend. The quarterly dividend on offer provides a 3.46% yield.

Don't get off this growth stock train!

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is another interesting investment to consider. The company operates the largest railroad in Canada and boasts a unique advantage over all of its peers. Canadian National is the only railroad on the continent that has access to three coastlines. This means the railroad has access to other markets its peers don't.

There are several examples of this. In the west, that comes in the form of the port of Prince Rupert, which is the closest port to Asia. Turning to the south, that advantage comes in the form of Canadian National's link to the refinery-rich Gulf region. In total, the railroad hauls over \$250 billion worth of goods on annual basis, making it an arterial vein of the entire North American economy.

Turning to dividends, the railroad offers investors a quarterly distribution that works out to a respectable 1.82% yield.

You can bank on this growth

No list of great growth stocks would be complete without mentioning at least one of Canada's big banks. Today, that bank is **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). CIBC is an interesting pick among Canada's big banks. It's neither the largest or most well known, but it does offer a great dividend and a growing exposure in the U.S., which offers some diversification appeal.

The understated, if not neglected status among Canada's big banks has allowed CIBC's stellar performance of late to go relatively unnoticed. In short, the bank fared much better than its peers in recovering from the pandemic-induced dip we saw last year. For longer-term investors, the stock boasts a 30% improvement over the past five-year period.

The dividend currently works out to a juicy 5.17% yield, making it one of the highest-paying yields among the big banks.

Great growth stocks are everywhere

No investment is without risk, and that statement applies even to the three stocks noted above. That being said, these investments are uniquely diversified in their respective segments offset some of that risk. In my opinion, these great growth stocks represent a unique balance between growth and [income objectives](#).

Buy them, hold them, and get rich.

CATEGORY

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:RCI (Rogers Communications Inc.)

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