3 Dividend Stocks to Buy Now if You Have $3,000

Description

Dividend stocks are an excellent source to generate regular passive income. Top dividend-paying companies are among the safest bets and could help create a significant amount of wealth in the long term, thanks to their high-quality earnings base that supports their payouts and the uptrend in their stocks.

So, if you have $3,000 to invest now, consider buying the shares of these TSX-listed Dividend Aristocrats.

Enbridge

Investors seeking a regular and growing passive-income stream should consider buying the shares of **Enbridge** (TSX:ENB)(NYSE:ENB). Its long dividend-paying history, consistent growth in annual dividends, and ability to generate resilient and robust cash flows make Enbridge a top income stock. Also, the company offers a stellar dividend yield of over 7.4%

The strength in its base business has allowed the company to pay dividends for about 66 years. Furthermore, Enbridge's diverse cash flow sources have led it to increase the dividends by about 10% annually over the past 26 years.

I believe economic expansion and improving demand for energy are likely to drive Enbridge's mainline throughput and support its revenues and cash flows. Meanwhile, strength in its core business, high utilization rate, and continued momentum in gas distribution, storage, and transmission and the renewable power business are likely to support its payouts. Moreover, productivity and cost-saving initiatives and secured capital growth program make me optimistic about Enbridge stock and its future payouts.

Fortis

With over $55 billion in total assets and 47 consecutive increases in its annual dividends, **Fortis** (TSX:FTS)(NYSE:FTS) is among the top stocks to generate regular income. Fortis's cash flows and stellar dividend payouts are backed by the rate-regulated utility assets.

Fortis's highly regulated, low-risk, and diversified business generates predictable cash flows that drive higher dividend payments. The company's five-year, $19.6 billion capital plan would increase its rate base by $10 billion during the same period and enhance its high-quality earnings base. Further, cost-saving initiatives are likely to cushion earnings.

Fortis's dividend yield stands at 3.8%. Meanwhile, the company projects about 6% annual growth in its dividends through 2025. With its focus on growth and the majority of sales protected through regulatory mechanisms, Fortis could continue to boost shareholders' returns in the coming years.

Pembina Pipeline

Pembina Pipeline's (TSX:PPL)(NYSE:PBA) highly contracted and integrated energy assets help the company to generate strong fee-based cash flows that drive its dividend payments. The pipeline company has been paying dividends for more than two decades and increased it by over 4% annually in the past decade.

I remain upbeat on Pembina's prospects, as the recovery in demand, higher pricing, and increased volumes are likely to drive its revenues and EBITDA and, in turn, support its dividend payments. Moreover, Pembina's contractual arrangements and exposure to multiple commodities suggest that its payouts are sustainable and safe.

Pembina stock offers a dividend yield of 6.9%. Further, it is trading at a lower valuation multiple than its peers, providing a good entry point at the current levels. Meanwhile, the favourable long-term energy outlook is likely to drive Pembina's financials and, in turn, its dividend payments.

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:PPL (Pembina Pipeline Corporation)

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