



3 Top Canadian Dividend Stocks for High-Yield Income

Description

Retirees and other income investors can still get great yields from a number of top Canadian dividend stocks.

Why Great-West Lifeco is an attractive income stock

Great-West Lifeco ([TSX:GWO](#)) is a financial services holding firm with assets that include life insurance, health insurance, investment services, wealth management, and reinsurance businesses. Assets under management were close to \$2 trillion at the end of 2020.

The subsidiaries are located in Canada, the United States, and Europe. This gives investors great international exposure through a Canadian financial stock that isn't a bank.

Great-West Lifeco reported solid [Q4 2020](#) results. Net earnings came in at \$912 million compared to \$513 million for the same period in 2019.

The stock isn't as cheap as it was a year ago, but at the current price near \$33 per share, it still trades at just 10 times earnings. The big Canadian [banks](#), for example, now all trade at multiples ranging from 12.5 to 15 times earnings.

Investors who buy Great-West Lifeco at this level can pick up a 5.3% yield.

TC Energy remains a top Canadian dividend stock for income investors

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) owns and operates more than \$100 billion in energy infrastructure and power-generation assets in Canada, the United States, and Mexico.

The core business is built around natural gas, including transmission and storage. Natural gas is viewed as a key fuel to help countries around the globe transition from coal-fired power generation.

Ideally, all electricity needs will eventually be met by renewable sources, but we are decades from getting to that point, if ever.

TC Energy has a \$20 billion secured capital program in place to drive growth through 2024. The board intends to raise the dividend by 5-7% per year over the medium term. This extends a streak of annual dividend hikes that goes back two decades.

The stock appears [undervalued](#) at the current price near \$57. The shares traded at \$75 before the pandemic. Investors who buy now can pick up a 6% dividend yield.

Emera is a great buy-and-forget income stock

Emera is a Halifax-based utility with \$31 billion in assets located in Canada, the United States, and the Caribbean. The \$7.4 billion capital program through 2023 could jump by another \$1.2 billion. As the new assets go into service, Emera anticipates rate-base growth of 7.5-8.5% through 2023.

That's great news for income investors. The board intends to boost the dividend by 4-5% in 2021 and 2022.

Emera's stock price is up about 10% in the past month but still looks attractive. Revenue is reliable and predictable and investors get a decent 4.6% dividend yield at this price.

Consolidation might pick up speed in the North American utility sector over the next few years, as larger players take advantage of cheap debt markets. Emera could become a takeover target if mergers and acquisitions start to heat up in the utility industry.

The bottom line on top Canadian dividend stocks

Great-West Lifeco, TC Energy, and Emera all pay reliable dividends that offer above-average yields. GIC rates don't even cover inflation these days, so top dividend stocks are pretty much the best game in town for retirees.

If you have some cash sitting on the sidelines, these stocks deserve to be on your radar for an income portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:EMA (Emera Incorporated)
3. TSX:GWO (Great-West Lifeco Inc.)
4. TSX:TRP (TC Energy Corporation)

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