



Beginner Investors: 3 of the Best Dividend Stocks in Canada

Description

If you're new to investing, it can definitely be overwhelming. There are thousands of stocks to consider, all scattered across hundreds of sectors and subsectors. The key for beginner investors, though, is that you build yourself a good starting point with some of the best dividend stocks in Canada.

It's important to start by building a core portfolio so that you can get into the long-term mindset. Investing is much easier when you make decisions based on the long-term growth of businesses and the economy instead of the unpredictable short-term movement of stock prices.

The reason we want to buy some of the best dividend stocks in Canada is that these are often the best core stocks for your portfolio. They will be high-quality businesses. And most dividend stocks are less volatile than their non-dividend-paying peers, allowing them to protect your investment a lot better during a market pullback.

So, if you're a beginner investor looking to start building a portfolio, here are three of the best dividend stocks in Canada.

A top Canadian telecom stock

Some of the best dividend stocks in Canada can be found in the telecom industry. That's why **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the largest and most stable telecom stock, is a top recommendation today.

The very nature of the [telecom business](#) is what allows these companies to be great investments. Long-life assets allow the businesses to be cash cows and continue to grow their operations.

Plus, communication services are crucial for consumers and businesses, resulting in telecom stocks being highly defensive. And most of all, there is continuous innovation going on in the industry, leading to perennial long-term growth potential.

During its recent earnings report, the company showed how well it's been recovering from the pandemic. So, if you're looking to buy one of the very best dividend stocks in Canada, BCE should be

a top choice.

Not only can you expect yearly dividend increases, but even the yield today is extremely attractive at 5.5%.

The best utility stock to buy in Canada

Another highly stable stock to consider is **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

Algonquin is one of the best dividend stocks to buy in Canada, because it offers investors a tonne of stability with its utility operations and a tonne of growth potential from its renewable energy segment.

The majority of its income comes from its highly stable utility business, though. These gas, water, and electric services span across dozens of states and account for two-thirds of Algonquin's business. It's why the stock is so robust during market downturns. Plus, these stable operations also underpin the dividend.

So, the renewable energy segment is the perfect complement, offering a tonne of long-term [growth potential](#). Therefore, if you're looking to buy one of the best dividend stocks in Canada, Algonquin is a solid choice.

A top restaurant royalty stock

Lastly, you may want to consider **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)). A&W is one of the best dividend stocks in Canada to buy today, because it offers a tonne of long-term growth potential.

Before the pandemic hit, A&W had a long history of growing its business in Canada. Over the last decade, the number of its stores across the country has exploded in addition to the sales each of those restaurants was doing.

This has resulted in royalty revenue for the fund skyrocketing, leading to considerable share price gains and plenty of dividend increases.

Canadian consumers love the quality of A&W — so much so that it's now easily the second-largest burger chain in the country.

So, if you're looking to buy one of the best dividend stocks in Canada, A&W is a top long-term investment.

CATEGORY

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)

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3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:AW.UN (A&W Revenue Royalties Income Fund)
5. TSX:BCE (BCE Inc.)

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