



3 Dividend Growth Stocks That Already Yield Upwards of 5%

Description

Earning passive income is an excellent feeling. After working hard and saving your money, it's time for your money to go to work for you. And one of the best ways to put your cash to work is by investing it into dividend growth stocks.

[Dividend stocks](#), in general, are some of the best investments you can make. You get exposure to high-quality businesses that can grow in value over time. In addition, you can receive quarterly, or sometimes even monthly payments, which can quickly add up and be used to invest in new stocks.

However, the best investments are in dividend growth stocks. These are high-quality businesses that are consistently growing their operations and paying out more to investors each year. So while your money goes to work for you, you can expect it to get a raise each year.

Many dividend growth stocks have lower yields, as they retain more capital to invest in growing the business. However, here are three of the best dividend growth stocks that already offer attractive yields above 5% today.

A highly dependable real estate stock

One of the top dividend growth stocks you can buy that already offers an exceptional yield is **CT REIT** ([TSX:CRT.UN](#)).

CT REIT is a retail real estate fund that's largely owned by and rents most of its properties to **Canadian Tire**. In fact, Canadian Tire or other retail banners owned by the stock make up more than 90% of CT REITs revenue.

This can be seen both as an advantage and a drawback. Of course, having so much exposure to one company could be a risk. However, because that company is one of the top retailers in Canada, and one of the most well-known brands, for now, it actually looks like an advantage, and it certainly was through the pandemic.

So the fact that CT REIT's revenue should be highly resilient makes the dividend growth stock a reliable investment. And with the REIT consistently expanding its portfolio, it continues to increase its payout to investors each year.

So while its 5% yield is certainly attractive, the fact that CT REIT has also increased its distribution to unitholders by 20% since 2017 shows the real estate stock is one of the best investments you can make today.

A top Canadian telecom stock

Large blue-chip stocks can also be some of the best dividend growth stocks to invest in, especially if they are cash cows like **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the largest Canadian [telecom stock](#).

The internet and the entire communications industry is an essential service and highly defensive industry making the stock extremely reliable. But that's not the only reason BCE is such an excellent dividend growth stock. Many of the assets BCE owns are long-life assets such as telecom towers, which need little maintenance and allow the company to earn tonnes of free cash flow.

It can then use this to invest in growth as well as payback to shareholders, which is why it's such an excellent long-term stock. It's exceptionally robust and much less volatile than the rest of the market. So while it's growing your money over the long run, it will also protect it through pullbacks and recessions.

Plus, much like CT REIT, BCE has increased the dividend substantially in the last five years, up more than 25% and currently offering a yield of roughly 5.4%. So clearly, BCE is one of the best dividend growth stocks you can buy for the long run.

A top dividend growth stock in the energy sector

Finally, we have the highest yielding investment on the list, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock, which currently yields a whopping 6.9%.

Enbridge is a lot like BCE. It's a blue-chip stock with operations that are crucial to the economy. It also owns a tonne of long-life assets, which results in Enbridge earning a tonne of cash flow. This allows it to invest in growth, such as green energy projects, while also paying more back to investors.

Since 2017, Enbridge has increased its dividend by more than 40% and has now increased its payout every year for over a quarter-century. So if you're looking for a high-quality dividend growth stock to buy, Enbridge is one of the best.

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3. TSX:BCE (BCE Inc.)
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