Got $3,000? 3 Top Dividend Stocks for 2022 and Beyond

Description

Economic expansion, improving demand trends, and a sharp recovery in corporate earnings growth suggest that Canadian corporations could continue to enhance their shareholders' returns through high dividend payments.

So, if you have $3,000 to invest in dividend stocks, consider adding these Dividend Aristocrats to your portfolio for 2022 and beyond.

TC Energy

In my opinion, **TC Energy** (TSX:TRP)(NYSE:TRP) is a perfect income stock, and there are good reasons for that. Its high-quality energy infrastructure assets, strong cash flows, and visibility over its earnings and dividend growth support my view.

It's worth noting that TC Energy's regulated and contracted assets benefit from high utilization and remains relatively immune to the volatility in volume throughput and commodity prices. Meanwhile, it remains well positioned to benefit from the recovery in energy demand and transition to green energy.

Looking ahead, its strong secured capital projects and strong performance of existing assets will likely drive its EBITDA and, in turn, its future dividends. Notably, TC Energy's $29 billion secured projects are backed by long-term, take-or-pay or cost-of-service arrangements. Further, the company expects its EBITDA to increase by about 5% annually through 2026. Also, revenue enhancements, additional sanctioned projects, and cost savings could accelerate EBITDA growth.

This Dividend Aristocrat's dividends have a CAGR of 7% since 2000. Moreover, the company projects 3-5% annual growth in its future dividends. It pays a quarterly dividend of $0.87 a share, translating into a stellar dividend yield of 5.9%.

Fortis

Like TC Energy, **Fortis** (TSX:FTS)(NYSE:FTS) also provides clear visibility over its future dividend-growth rate. It's worth noting that Fortis owns diversified regulated assets that generate predictable cash flows and support higher dividend payments.

Fortis has been paying and growing its dividends for a very long time. To be precise, this utility company has increased dividends for 48 years in a row and remains confident that it can hike its dividends further in the coming years.

Its rate base is projected to increase to about $41.6 billion by 2026, which will likely drive its earnings and dividends. Thanks to its low-risk business, growing rate base, increasing renewables capacity, and cost-saving measures, Fortis could continue to generate strong cash flows. Meanwhile, it projects 6% annual growth in its dividends through 2025.

Fortis stock yields over 3.5% at current levels, which is safe and reliable.

Enbridge

Irrespective of the volatility in commodity prices and volumes, **Enbridge** (TSX:ENB)(NYSE:ENB) has consistently increased its dividends for more than two-and-a-half decades. Further, its dividends have a CAGR of 10% during the same period — the highest rate among its peers.

Its well-diversified cash flow streams, strength in its core business, and secured projects drive its distributable cash flows and, in turn, its dividend payments.

Including the most recent hike, Enbridge has now raised its dividends for 27 years in a row. Moreover, it offers a very high and secured yield of 7%.

I expect the recovery in its mainline volumes, higher asset utilization rate, acquisitions, and revenue escalators to drive future payouts. Moreover, multi-billion-dollar secured projects, opportunities in the renewable segment, long-term contracts will likely drive its distributable cash flow per share and dividends.

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