



4 Top Dividend Stock Picks for 2022 With Yields of at Least 4.9%

Description

Top-quality dividend-paying stocks consistently deliver solid total shareholder returns and outperform the market averages in the long run. This article will zoom in on four such dividend stocks that are a reliable investment to generate consistent income for decades. Further, these stocks are offering dividend yields of at least 4.9%.

Algonquin Power & Utilities

Let's begin with **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) stock that offers a high dividend yield of over 4.9% and has a long history of consistently increasing its dividend (11 years in a row). Its consistent earnings growth, resilient cash flows, and low-risk business model supports higher dividend payments. Meanwhile, its growing rate base and sustainable payout ratio make Algonquin Power a reliable dividend stock to buy and hold.

Looking ahead, Algonquin Power expects its rate base to consistently increase at a double-digit rate, which will likely drive its high-quality earnings and support future dividend payments. Overall, its regulated utility assets, growing rate base, long-term contracts, and increasing renewable power capacity augur well for growth and will likely drive its dividend at a healthy pace.

Enbridge

Next up are the shares of **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), which offer a high yield and consistent dividend growth. Enbridge has been paying a dividend for 67 years and increasing it for 27 years in a row. Furthermore, it offers a [stellar yield](#) of about 6.6%.

Looking ahead, Enbridge's diversified revenue streams, higher asset utilization rate, multi-year secured capital projects, and improving mainline volumes suggest that Enbridge will likely deliver strong distributable cash flows in the coming years, which will drive higher dividend payments. Further, acquisitions, revenue escalators, and long-term contracts bode well for dividend growth.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is another stock in the energy space worth investing in for the long term. Its low-risk business, high dividend yield, and regulated and contracted assets suggest that TC Energy could continue to boost its shareholders' returns through consistent [dividend growth](#) in the coming years.

Notably, TC Energy's dividend has a CAGR of 7% since 2000, while it offers a high dividend yield of 5.5%. Looking ahead, its higher utilization of its assets, strong secured capital projects, contractual arrangements, and transition to green energy will drive its future earnings and, in turn, its dividend. TC Energy remains upbeat about its future payouts and expects to raise its dividend by 3-5% annually.

Pembina Pipeline

Last on this list is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) stock, which offers monthly payouts and a high dividend yield of over 6.2%. Pembina also has a long history of consistent dividend payments. Meanwhile, it has grown its dividend at a mid-single-digit rate over the past decade.

Pembina owns highly contracted and diverse energy infrastructure assets that generate strong fee-based cash flows and cover its dividend payments. Overall, Pembina's resilient cash flows, improving energy demand, contractual arrangements, and new growth projects suggest that Pembina will likely return a substantial amount of capital to its shareholders in the coming years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. NYSE:TRP (Tc Energy)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:ENB (Enbridge Inc.)
7. TSX:PPL (Pembina Pipeline Corporation)
8. TSX:TRP (TC Energy Corporation)

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