



## RRSP Investors: 2 Top TSX Dividend-Growth Stocks to Buy Now

### Description

High inflation is putting pressure on the purchasing power of retirement savings. As a result, [RRSP](#) investors are searching for top [dividend](#) stocks that will steadily increase payouts in the coming years.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) has 10 utility businesses located across Canada, the United States, and the Caribbean. The operations include \$57 billion in assets with 99% being regulated. This means revenue and cash flow tend to be very reliable and predictable.

Fortis has 82% of its assets in electric power generation and transmission and 17% of the assets are part of the natural gas distribution group. The remaining 1% comprises of non-regulated energy infrastructure.

The company has grown from \$390 million in assets in 1987 to the current level through strategic acquisitions and internal projects. Fortis is working on \$20 billion in capital initiatives right now that will boost the rate base by an average of 6% per year through 2026. Management expects the increase in cash flow to support average annual dividend increases of 6% until at least 2025.

Fortis raised the distribution in each of the past 48 years, so investors should be comfortable with the guidance.

At the time of writing, Fortis stock provides a yield of 3.7%.

### Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) raised its dividend by more than 5% when it reported Q3 2021 results. The company has increased the payout 21 times since 2011, and dividend growth is expected to continue at a steady pace in the coming years.

Telus is investing heavily to transition its legacy copper lines to fibre optic connections. At the same time, Telus is spending billions of dollars to build out its [5G](#) network. Despite the large capital outlays, the company is still able to give investors decent dividend increases supported by solid revenue and earnings growth.

Telus says the capital expenditures should drop significantly beginning in 2023. This should free up more cash to return to shareholders in 2024 and beyond.

The stock is a solid defensive pick for RRSP investors. Telus provides essential mobile and internet services that people and businesses require to conduct their lives and operations efficiently. The nature of the Canadian communications market gives Telus and its peers the flexibility to increase service fees when they need extra cash.

Telus is also investing in new businesses that take advantage of its technological strengths. Telus Health is already a leading provider of digital solutions to doctors, hospitals, and insurance companies. The pandemic has led to an increase in the use of its virtual care services, and that trend is expected to continue.

Telus Agriculture helps farmers make their operations more efficient. The group is growing at a steady pace, as digital disruption takes hold in the farming sector.

**Telus International** went public last year in a successful IPO.

At the time of writing, Telus stock offers a solid 4.4% dividend yield with decent payout growth on the horizon.

## The bottom line on top stocks for RRSP investors

Fortis and Telus are strong businesses that should perform well in all economic situations. The companies pay attractive dividends that increase every year and should continue to deliver solid total returns for buy-and-hold RRSP investors.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TU (TELUS)
3. TSX:FTS (Fortis Inc.)
4. TSX:T (TELUS)

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#### **Date**

2025/07/23

#### **Date Created**

2022/01/21

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