New Investors: 2 Dividend Stocks to Jumpstart Your Wealth Creation

Description

Solid dividend stocks are a great place to help new investors jumpstart their wealth creation. These dividend stocks should pay out regular dividends to their common stockholders as a basis for stable returns no matter what the economy or stock market does. Here are some [dividend stocks](#) that new investors can consider for their dividend portfolios.

TD Bank stock

Big Canadian bank stocks, of which **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a part, have been solid dividend investments. They have provided safe and often growing dividends over many years. Since 2005, TD stock has delivered a compound annual growth rate (CAGR) of 9.8%. Based on the Rule of 72 and this growth rate, essentially, the stock has doubled investors' money every 7.3 years or so.

TD stock just corrected about 15% from its 52-week high. At $92.97 per share at writing, it trades at a cheap valuation of about 11.5 times earnings for analysts' projection of outperforming earnings growth at a CAGR of 9-11% over the next three to five years. Even if the large North American bank only materializes with a growth rate of 7%, its valuation would still be considered reasonable today.

Right now, the dividend stock starts investors with a decent yield of 3.8%. The dividend is sustainable with a payout ratio of about 43%. So, investors can expect dividend increases in the future under most market conditions.

It's only during times of stressful economy that, as a precaution, the regulator will prevent federally regulated financial institutions like TD from increasing their common dividends. However, that's when TD stock's safe dividend income brings peace of mind to its shareholders. That is, it's highly unlikely to cut its dividend even during bad economies.

NorthWest Healthcare Properties REIT

New investors who want more income now can consider picking up some **NorthWest Healthcare Properties REIT** (TSX:NWH.UN) units.

The healthcare REIT has built a globally diversified healthcare real estate portfolio, partnering with leading operators. Its top 10 tenants, including Healthscope, Epworth Foundation, and Aurora Healthcare in Australia, Rede D'or in Brazil, and Nuffield Health in the U.K., produce approximately 48.4% of its gross rent.

Its global portfolio has improved the quality of its cash flow by extending the weighted average lease expiry of the overall portfolio to close to 14 years and maintaining a high occupancy of roughly 97%. On a constant-currency basis, the defensive REIT increased its net asset value (NAV) per unit by over 16% last year. This is attributable to its inflation-indexed cash flow or annual contractual rent growth. After accounting for foreign exchange, the growth rate was still solid at 9%, ending 2021 with a NAV of $14.47 per unit. So, the stock's recent quotation of $12.79 implies a discount of close to 12%.

The stock dipping more than 11% from its 52-week high is a good opportunity for new investors to buy and hold shares for income. At writing, the monthly dividend stock provides an attractive yield of 6.25%. This high income is probably why most long-term investors hold the stock. If you stash shares in your Tax-Free Savings Account (TFSA), you can get that stable monthly income tax free. Analysts also project nice price appreciation of about 19% over the next 12 months.

CATEGORY

1. Investing
2. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kayng
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Tags

1. Editor's Choice

Date
2025/08/20
Date Created
2022/05/09
Author
kayng