



3 Dividend Stocks That Belong in Every Portfolio

Description

If you're new to investing, it can be completely overwhelming. There are so many companies, exchange-traded funds, bonds, and more to choose from. But a great place to start is by looking at dividend stocks.

Dividend stocks provide you with cash flow, even if the companies aren't doing well. But, of course, there are still tonnes of options. And if you want secure passive income, you need to look for companies that have long payout histories, and strong future growth. That means you're looking mainly at Dividend Aristocrats.

Today, I'm going to focus on three dividend stocks that belong in every Motley Fool investor's portfolio.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is one of the three major telecommunications companies in Canada. BCE stock has grown its dividend consistently over the last 18 years and paid out a dividend since 1983! Currently, you can pick up a dividend yield of 5.26%. That's incredibly high among other dividend stocks.

But the reason you want to buy and hold BCE stock is because it offers value coupled with a solid future. It provides over 60% of Canada's population with internet, phone, and television services. It's a major media corporation, and its wireline business has brought more customers in for the 5G wave.

Among other dividend stocks, it also hasn't dropped as much. BCE stock trades at a fair 23.41 times earnings, and a valuable 3.39 times book value. Shares are up 6% year to date and down 5% from 52-week highs.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is another strong company to consider. This comes from its focus on the

utility sector, which proved even during a pandemic it could survive and thrive. Furthermore, as of February, the stock has increased its dividend for the last 50 [consecutive](#) years! That's the longest track record of any publicly traded Canadian company.

Right now, the company offers a dividend yield of 5.26%, which is, again, quite high among dividend stocks. And it's the consistency of utilities that allows Motley Fool investors to invest in the stock. No matter what, you have to keep the lights on. And Canadian utilities has a diverse range of long-term contracted assets, from natural gas to hydro, to help do just that.

It also trades at a fair price of 25.90 times earnings and a valuable 2.01 times book value. But unlike many other dividend stocks, it continues to trade near 52-week highs. It's currently up 8% year to date. That just shows investors want in on stable income during any market volatility.

First National Finance

Finally, the finance sector is a great one to be involved in during any market volatility. These are professionals looking out for their best interest and, therefore, yours. And **First National Financial** ([TSX:FN](#)) is a great one to [consider](#), with its dividend rising for the last 10 consecutive years. It currently offers an incredible 6.77% dividend yield.

Among dividend stocks, this is a strong one to consider. It focuses in on commercial and residential mortgage services in Canada. This has been a booming industry over the last few years. And even as interest rates climb, it will continue to benefit from the housing boom.

Yet it trades at a valuable 10.79 times earnings and 3.81 times book value. Shares are down 15% year to date thanks to the inflation and interest rates causing this recent market volatility. Still, it's a strong future hold, given the stable and high dividend for Motley Fool investors.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:FN (First National Financial Corporation)

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