New Investors: Get More Income With Dividend Stocks. Here’s How

**Description**

You don’t necessarily have to take high risk to earn good money from stocks. New investors should consider building a core portfolio of low-risk stocks that can deliver decent returns for the long haul.



For instance, dividend stocks pay out billions of dollars of dividend income to their stockholders every year. Dividend income is up for grabs by any Canadians who can store away some money. That is, Canadians can put some savings they don’t need for a long time in quality dividend stocks that tend to increase their payouts over time.

Furthermore, if received in non-registered accounts, dividend income is taxed at lower rates than other income like your job’s income, interest income, and rental income. Consequently, it makes good sense to increase your percentage of dividend income versus higher-taxed income — if you have the appetite of taking a bit more risk.

You can earn more income potentially from these quality dividend stocks.

## New to investing? Get dividend income from Sun Life stock

**Sun Life** (TSX:SLF)(NYSE:SLF) is a diversified life and health insurance company with a business mix in wealth and asset management, group and shorter duration insurance, and traditional insurance. As well, other than in Canada, it also operates in the U.S. and Asia.

At the end of the second quarter, Sun Life had $1.26 trillion of assets under management, which is down about 7% year over year due to financial market volatility. However, its insurance sales remain steady by increasing 6.6% in the first half (H1) of the year versus H1 2021. In H1, its return on equity dropped 2.8% year over year but was still solidly in the teens at 13.7%.

In the last 10 years, Sun Life stock has delivered annualized returns of about 13.4%. Its steadily growing dividend has delivered almost 22% of that total return. For reference, its three-year dividend-growth rate is 6.6%. Right now, the stock is trading at a bit of a discount in the face of market volatility. This gives new investors the opportunity to pick up some shares at a decent yield of close to 4.5%.

The resilient company remains profitable and is well positioned to protect its dividend. Its trailing 12-month (TTM) payout ratio was 42% of net income available to common shareholders. Long-term investors shouldn't be disappointed with its total returns over, say, five to 10 years.

## Another solid dividend stock to add to your coffers

**TELUS** (TSX:T)(NYSE:TU) stock has been paying dividends for more than two decades. It's also enjoying industry-leading growth, which suggests its investments are paying off. Specifically, last quarter, its revenue, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization), and adjusted earnings-per-share growth were 7.1%, 8.9%, and 23%, respectively. As a result, the dividend stock also leads the industry with the highest valuation.

Analysts believe the stock trades at a 12% discount. Quality stocks don't go on sale that often, which seems to be the case for TELUS. So, new investors can consider pecking at shares whenever they're reasonably priced (as they are now). You get an initial yield of 4.5% for holding the shares — coincidentally, the same as Sun Life.



You might be interested in its past returns. In the last 10 years, TELUS stock has delivered annualized returns of about 9.6%. About 31% of that total return came from its dividend. For reference, its three-year dividend-growth rate is 6.6% — coincidentally, the same as Sun Life again.

Its TTM payout ratio was 61% of net income available to common shareholders. Investors can expect another dividend hike in TELUS over the next quarter.

**CATEGORY**

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2. Stocks for Beginners

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