



3 Dividend Gems Paying Out Handsomely This Fall

Description

Finding the right mix of [dividend stocks](#) can be a frustrating task. Fortunately, the market gives us plenty of options. That includes great picks trading at significant discounts. Here are some of the dividend gems paying out handsomely this fall to consider.

Your perfect long-term investment

There are few, if any, investments that offer the stability, growth, and income-earning potential of Canada's big banks. That's why any list of dividend gems paying out handsomely should include at least one of the [big banks](#).

Today, that big bank to consider is **Canadian Imperial Bank of Commerce** ([TSX:CM](#)).

Year to date, CIBC has dropped 20%. Factoring in the stock split earlier this year, that discount makes it a great time to buy. In fact, at current levels, CIBC boasts a price-to-earnings (P/E) ratio of just 8.46.

Turning to income, CIBC boasts the highest yield among its big bank peers, coming in at 5.62%. This means that a \$40,000 investment in the bank will earn a first-year income of over \$2,240. Reinvesting that income until needed is one of the best ways to grow your retirement income without doing anything.

Oh, and let's not forget that CIBC has paid out those dividends without fail for over 150 years. The bank also has an established cadence, like its peers, of providing a juicy uptick to that dividend.

This energy behemoth is getting cleaner while making you richer

Enbridge ([TSX:ENB](#)) is a well-known energy behemoth that should be on the list of dividend gems paying out handsomely this fall. The company operates one of the largest and most complex pipeline systems in the world.

Incredibly, that pipeline network is responsible for hauling nearly a third of all North American-produced crude, and one-fifth of the natural gas needs of the United States. As incredibly defensive as it sounds, the sheer importance of that network isn't even the best part.

The best part is, Enbridge not charging based on the volatile price of crude. Instead, Enbridge charges for use of its pipeline network, much like a toll-road network would.

While the pipeline network generates the bulk of Enbridge's revenue, the company is diversifying into other areas. One area that is of growing importance is Enbridge's renewable energy business.

To date, Enbridge has invested over \$8 billion over the past two decades into renewables. Today, that segment comprises over 45 facilities located across Europe, Canada, and the U.S.

As an income stock, Enbridge offers one of the juiciest yields on the market. The company boasts an incredible 6.70% yield. This means that a \$40,000 investment in Enbridge will provide a first-year income of \$2,680. Again, investors that aren't ready to draw on that income can reinvest it, allowing it to grow until needed.

Finally, investors should note that Enbridge has provided annual upticks to that dividend for 27 consecutive years.

Another defensive stock with a crazy dividend

Canada's telecoms represent another area to find dividend gems paying out handsomely. And the telecom to consider buying is **BCE** ([TSX:BCE](#)).

BCE is one of the largest telecoms in Canada, boasting enviable nationwide coverage. The telecom also operates a massive media segment, which includes various media holdings that are complementary to its core subscription-based business.

Since the pandemic started, the defensive appeal of BCE has only increased. Specifically, the need for a fast and reliable connection has become a necessity for many that now work and study remotely.

Adding to that is the growing appeal and necessity of a fast, always connected wireless device.

In short, BCE is a well-diversified, defensive pick that should be on the radar of investors everywhere.

As an income stock, BCE has paid out a juicy dividend for well over a century. Today, that yield works out to an impressive 6.22%, which is the highest among its telecom peers. Using that same \$40,000 example, investors can expect to earn just shy of \$2,500 in the first year.

Dividend gems paying out handsomely

No stock is without risk. Fortunately, the three stocks mentioned above all boast growth and defensive appeal in addition to offering a juicy dividend.

In my opinion, one or all of these stocks should be part of any well-diversified portfolio.

CATEGORY

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
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6. TSX:ENB (Enbridge Inc.)

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