



## 3 High-Yield Dividend Stocks to Make You Forget about Inflation

### Description

Inflation is a key issue that's on the minds of all investors. So far in 2022, inflation has hit levels not seen in over four decades. This means that an income stream funded by a [dividend](#) paying 4% is no longer enough. Fortunately, the market boasts some stellar high-yield dividend stocks to bridge that gap and make you forget about inflation.

### High-yield stock #1- The energy behemoth

**Enbridge** ([TSX:ENB](#)) is one of the largest energy infrastructure companies on the planet. The company also operates the largest and most complex pipeline system anywhere. That pipeline network hauls an impressive amount of crude and natural gas each day and generates cash for the company hand over fist.

Enbridge generates most of that cash by charging for the use of its pipeline network, not based on the price of those volatile commodities. The sheer necessity of, and volumes hauled by, the pipeline network make it a defensive gem for all types of portfolios.

Beyond the pipeline business, Enbridge also boasts a growing renewable energy business and operates one of the largest utilities on the continent. The company also has a huge project backlog of over \$10 billion to drive future growth.

Perhaps best of all, those successful business segments help Enbridge to provide one of the juiciest dividends on the market. The quarterly dividend will make you forget about inflation with its massive 6.20% yield.

Also worth noting is that Enbridge has an established precedent of providing annual generous upticks to that dividend going back 27 consecutive years.

### Stock #2 – Renewable energy is big today, huge tomorrow

Speaking of renewable energy, **TransAlta Renewables** ([TSX:RNW](#)) is another option for investors to look at as a way to forget about inflation. For those that are unaware, TransAlta operates a network of renewable energy facilities that are located across Canada, the U.S., and Australia.

Those facilities are diversified across solar, wind, hydro, and gas elements.

Like its fossil-fuel-burning peers, TransAlta's facilities adhere to the lucrative utility business model. This means that long-term regulatory contracts have provided a steady and secure source of revenue for TransAlta over the decades.

This allows TransAlta to invest in growth initiatives and pay out a very generous dividend. That dividend, which is paid out on a monthly cadence, currently has a yield of 6.52%. This means that a \$40,000 investment will earn a monthly income of \$217. Remember that investors with longer timelines can reinvest that income until needed, increasing that income further.

## Stock #3 – Banking on income and growth for the future

One final high-yield dividend stock to make you forget about inflation is **Bank of Nova Scotia** ([TSX:BNS](#)). Scotiabank is neither the largest nor most well-known of the [big bank stocks](#). What Scotiabank does offer is superb long-term growth and a tasty dividend.

Scotiabank is similar to its peers in many ways, except when it comes to international expansion. Rather than following its peers into the U.S. market, Scotiabank looked further south to Latin America.

Specifically, Scotiabank expanded its branch network heavily into Mexico, Columbia, Chile, and Peru. The four nations are part of a very successful trade bloc known as the Pacific Alliance, which is tasked with increasing trade and eliminating tariffs. Scotiabank's presence across the region has helped the bank become a preferred lender and usher in strong growth.

That growth, coupled with Scotiabank's strong domestic segment at home, helps the bank provide a generous dividend. That dividend currently works out to 6.02%, the highest among Canada's big banks.

## Forget about inflation

No stock is without risk, and that includes even the most defensive stocks. Fortunately, the stocks mentioned above offer high-yield dividends in addition to boasting some defensive appeal.

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

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BNS (Bank Of Nova Scotia)

2. TSX:ENB (Enbridge Inc.)
3. TSX:RNW (TransAlta Renewables)

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