



3 Dividend Stocks to Gift Your Kids This Holiday Season

Description

During the holidays, we all love to give back, whether that's through donating, giving gifts, or simply providing the time with our loved ones. But when it comes to parents, the top focus is our children.

During the holidays, you're always looking at ways to do something special for your kids. And what's more special than creating a more financially stable future?

A great gift can be dividend stocks this holiday season. And these three are the top choices I'd choose as a parent myself.

Growth

For growth and dividends, I would look at **Brookfield Renewable Partners** ([TSX:BEP.UN](#)). This clean energy company has been providing dividends for decades and is looking like it will continue to do so for decades. That's especially as it's likely to be one of the best growth stories out there.

The company invests in clean energy assets around the world, providing its investors with solid income from multiple revenue sources. And that continues to expand, as countries look to create their own energy, rather than looking to outside sources.

Because of this, you can look forward to this company being one of the dividend stocks that could create riches for your kids in the next few decades. After all, it's grown 1,486% in the last two decades alone! Meanwhile, a \$5,000 investment today would bring in about \$235 of extra income each year.

High income

If you want high income that's bound to last, then you want a [Big Six bank](#). But I would go with **Bank of Montreal** ([TSX:BMO](#)) right now for your kids this holiday season. That's because it's due for even more superior growth thanks to its expansion in the United States. But on top of that, it has one of the highest dividend yields, and some of the highest dividend boosts in the last few years.

Meanwhile, it's very cheap so you get way more income from BMO stock than usual — especially when compared to other dividend stocks. Shares trade at just 7.8 times earnings for a yield at 4.28% as of writing. And given that it's a Dividend Aristocrat, you're likely to continue seeing it rise year after year in the foreseeable future.

Shares of BMO stock have grown 850% in the last two decades, so that's definitely major growth for your kids to look forward to. Plus, a \$5,000 investment today would bring in about \$214 in annual income.

Keep it safe

If you're nervous about investing, that's fair — especially right now when the market isn't performing as it usually does. In that case, don't ignore your kid's future investments; just keep it safe and simple. To do that, I would invest in an [exchange-traded fund](#) (ETF) that focuses on dividends.

A great option is **iShares Canadian Select Dividend Index ETF** ([TSX:XDV](#)). This dividend ETF focuses on blue-chip companies and Dividend Aristocrats, providing superior dividends that will last years. Granted, growth isn't as high, but it has been more stable, up 180% in the last two decades. Meanwhile, right now it offers a dividend yield at 4.5%.

If you were to put your \$5,000 into this ETF, you could bring in about \$225 in dividends each year. So, that's still getting the same amount of income, but with a lot less risk than investing in just one stock alone.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:BMO (Bank Of Montreal)
3. TSX:XDV (iShares Canadian Select Dividend Index ETF)

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