



3 Dividend Stocks to Buy Now Under \$50

Description

Establishing a well-diversified portfolio takes considerable time and investment. That's one key reason why investors are often told to start early, invest often, and diversify. The good news is that the market provides plenty of [great income-producing options](#) to consider, including the following three dividend stocks to buy now under \$50.

How about a monthly dividend and a diversified portfolio?

One dividend stock to buy now for under \$50 is **Exchange Income Corporation** ([TSX:EIF](#)). As of the time of writing, Exchange is trading just below \$50 and is beating the market, up over 15% year to date.

For those that are unfamiliar with the stock, Exchange owns a dozen subsidiary companies that broadly fall under manufacturing or aviation categories. The businesses are truly unique in that they all provide a necessary service yet operate in segments where there is little competition.

As a result, the subsidiaries, which, for example, include cell tower construction services as well as cargo and passenger services to Canada's remote north, all generate cash.

This allows this diversified (and, in some ways, defensive) gem to pay out a juicy monthly dividend. The yield on that dividend works out to 5.05%, or \$2.52 per share.

If that's not enough, prospective investors should also note that Exchange has bumped its dividend 16 times in the past two decades.

In short, Exchange is one of the great dividend stocks to buy now under \$50, but it won't stay at that price for long.

What about something more ... renewable?

Renewable energy is one of the most discussed segments of the market. There's a good reason for

that view. Guidelines and laws are changing everywhere to require utilities to transition over to renewable energy. That transition is often a considerable expense for traditional fossil fuel-burning utilities.

Fortunately, that's not the case for **TransAlta Renewables** ([TSX:RNW](#)). TransAlta is another example of one of the dividend stocks to buy now under \$50.

TransAlta operates a portfolio of renewable energy facilities across Canada, the U.S., and Australia. Those facilities have a generating capacity of over 2,100 megawatts. They are also well diversified, including a myriad of energy types, such as solar, wind, hydro, and gas.

It's also worth noting that TransAlta adheres to the same (lucrative) business model that its traditional utility peers follow. In other words, those facilities generate a reliable and recurring revenue stream backed by long-term regulatory contracts.

That reliable revenue stream helps TransAlta to provide a generous income to investors. Like Exchange, that distribution is made on a monthly basis. The current yield on that dividend is an insane 6.63%, or \$0.94 per share.

As of the time of writing, TransAlta trades at \$14.32, meaning that investors can grab three shares for under \$50.

A solid history of dividend increases from a stable business

It would be hard to compile a list of dividend stocks to buy now for under \$50 and not mention Canada's telecoms. Specifically, I'm referring to **Telus** ([TSX:T](#)).

Telecoms are great investments owing to their defensive and reliable nature. That appeal has only grown since the pandemic started and will continue to evolve, as 5G technology continues to roll out and is embraced fully.

Prospective investors should note that Telus isn't the largest of Canada's telecoms, but it is unique. The telecom is investing heavily in multiple digital service areas such as health and agriculture. Both segments are showing strong growth and long-term potential.

Also worth noting is that Telus is the one telecom that has seen impressive dividend growth over the past decade. In fact, the most recent uptick was a 7.2% year-over-year increase. It was also the 23rd increase in the past 11 years.

The current yield on that juicy quarterly dividend works out to 5%. This makes it one of the better-paying yields among its peers and the entire market.

There are plenty of dividend stocks to buy now under \$50

The market is full of dividend-paying stocks like the three mentioned above. However, it should be noted that no stock, including the three above, is not without risk.

In my opinion, the three stocks mentioned are great additions as part of a larger, [well-diversified portfolio](#)

CATEGORY

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TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:RNW (TransAlta Renewables)
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Author

dafxentiou

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