



## 3 Cheap Stocks That Pay Dividends — What More Do You Need?

### Description

This year, I chose to give myself the gift of income for Christmas. All year long, I've been busily buying dividend stocks and Guaranteed Investment Certificates (GICs), leading to a significant boost in my expected income for 2024. In the week leading up to Christmas Day, I had four dividend cheques clear my account. I expect many more in the new year.

In this article, I will explore three cheap [dividend stocks](#) I stashed under the Christmas tree in anticipation of the year to come.

### TD Bank

**Toronto-Dominion Bank** ([TSX:TD](#)) is a bank stock that I've written about extensively here on Motley Fool. It has a 4.43% dividend yield, and what's more, its earnings are growing. In its most recent quarter, TD Bank grew its revenue by 35%, its reported earnings by 76% and its adjusted earnings by 5%. Reported earnings means earnings calculated by normal accounting rules, adjusted earnings means earnings accounted with some changes to normal procedures. TD felt it had to report lower adjusted than reported earnings because its reported earnings included a lot of one-time deal related items. Either way, both of the given earnings figures were ahead of analyst estimates.

One exciting thing TD Bank has coming up is a deal to buy out U.S. bank **First Horizon**. The deal will give TD \$89 billion in new assets, \$1 billion per year in extra earnings power, and an increased presence in the U.S. southeast. Originally the deal was criticized for being too expensive (for TD), but First Horizon has grown its earnings a lot since the deal was announced. The price tag doesn't look as steep now.

### Bank of America

**Bank of America** ([NYSE:BAC](#)) is another bank stock, this one with a 2.7% yield. The immediate income potential here isn't as high as TD's is, but it could grow over time.

Bank of America is one of America's best-known banks. It has branches all over the country, it also has investment banking, brokerage and other services. It's a pretty diversified bank, which helps in periods when one of its businesses is doing poorly.

This year is a perfect example of that fact. This year, BAC's investment banking division is bleeding, with fees down 47% last quarter. However, the core lending operations are doing very well, growing at 24% year over year. Overall, it's a diversified financial institution with a lot of different ways to prosper.

## Apple

**Apple** ([NASDAQ:AAPL](#)) is the world's biggest tech companies. Best known for its iPhones, MacBooks, and iPads, it's the giant in the world of consumer electronics. Apple stock has been beaten down a lot in recent weeks, but, in my view, that just makes the stock all the more appealing. In its most recent quarter, Apple delivered 8% growth in revenue and 0.82% growth in profit. That profit growth might not look all that impressive, but by the standards of big tech stocks these days, it's pretty good. It doesn't hurt that the stock pays out a little dividend income, as not all [tech companies](#) do so.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:BAC (Bank of America)
3. TSX:TD (The Toronto-Dominion Bank)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

### PP NOTIFY USER

1. andrewbutton
2. kduncombe

### Category

1. Dividend Stocks

## 2. Investing

**Date**

2025/06/28

**Date Created**

2022/12/26

**Author**

andrewbutton

default watermark

default watermark