3 Dividend Stocks Growth Investors Should Buy Today

Description

Dividends and growth – Can you get a better combination?

While dividends are often related to boring blue chip stocks, there are some select growth stocks that also pay attractive dividends. In fact, dividend stocks that have an attractive growth profile can provide superior returns over a long period of time. As their income and cash flows grow, these businesses can afford to re-invest in growth and regularly raise their dividends.

If you like dividends and growth, here are three stocks that should be on your radar right now.

Brookfield: The asset manager stock

Brookfield Asset Management (TSX:BAM) was spun-out of **Brookfield Corporation** (TSX:BN) just before Christmas. Brookfield Corp. is a complex organization with ownership stakes in both private and publicly listed businesses.

One of these businesses is Brookfield Asset Management. Unlike its parent-company, it is a pure-play management business that is asset-light and has no debt. It manages alternative asset investment funds for large institutions around the globe. In return, it collects a fee and a carried interest for managing those funds.

With funds that are already locked in, BAM has a foreseeable outlook to grow fee-related earnings by a 15–20% compounded rate for the coming several years. The company plans to distribute most of its earnings back to shareholders. Today, this stock pays a ~4.4% dividend yield. Given its growth profile, its payout has a high chance of growing in the coming years ahead.

goeasy: An exceptional track record

goeasy (TSX:GSY) has created exceptional value for long-term shareholders. Over the past 10 years, this dividend stock has delivered near 29% average annual returns. That would have turned $10,000 into $129,000 in that timeframe.

goeasy is a leading non-prime lender in Canada. That means it provides loan solutions to people that generally don't meet the underwriting criteria for Canada's big banks. Over the decade, the lender has grown in volume, scale, service, and profitability. The company continues to innovate new products for customers and expand its geographic reach.

This stock is down 41% in the past year. Given a potential recession, the market has concerns that goeasy may see a rise in bad loans. Fortunately, in past recessions, its loan book has performed resiliently. Also, today the financial services company is significantly more diversified and balanced.

If you can look past these near-term worries, the stock is cheap at 11 times 2022 earnings and 8 times 2023 projected earnings. GSY also pays a great 3.4% dividend. It has increased that dividend by a 28% compounded annual growth rate since 2016!

Northland Power stock: A nice dividend at a fair price

Northland Power (TSX:NPI) also offers an intriguing mix of growth, value, and income. Renewable power stocks were hit in 2022, and Northland is no exception. Its stock is down 18% from highs posted in the summer of 2022.

Northland has renewable power projects across North America, Central America, and Europe. It is a leading developer of offshore wind power projects, which is a very fast-growing power segment. Given concerns about energy security, Northland's development pipeline should keep expanding for years ahead.

Currently, it operates three gigawatts (GW) of power. However, its development pipeline is over four times that size. Today, it trades with a price-to-earnings ratio of 13.3 and a nice 3.2% dividend yield (which, it pays out monthly). For a solid dividend stock with a nice growth outlook, Northland is an intriguing bet today.

CATEGORY

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TICKERS GLOBAL

1. TSX:BAM (Brookfield Asset Management)
2. TSX:BN (Brookfield)
3. TSX:GSY (goeasy Ltd.)
4. TSX:NPI (Northland Power Inc.)

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