



3 Top Dividend Stocks for Beginners

Description

Dividend investing is a big topic in Canada. In fact, it seems like every financial website likes to give their own opinion on which dividend companies stand out as the [best in the country](#). Canadians have a vast array of companies to choose from, but that can make investing more difficult. Much like eating at a new restaurant, sometimes fewer, [more impressive options](#) are a better way to be introduced to new things. In this article, I will discuss three of the top **TSX** dividend stocks for beginners.

Choose one of the banks

In Canada, there are a few industries dominated by a group of companies so far ahead of their peers that competition isn't an issue. An example of one such industry is the Canadian banking industry. Here, five companies have been running the show for decades, all of which are excellent dividend companies to consider. Three of these stand out among their peers as more attractive dividend investments. However, I will single out **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) as the top choice.

Bank of Nova Scotia is the third-largest Canadian bank by asset size. However, it is the most impressive Canadian bank in terms of its international exposure. While its peers have focused on establishing a market within North America, this company has expanded into regions where growth is expected to accelerate in the coming years. In terms of its dividend, Bank of Nova Scotia offers a forward yield of 4.43% with a payout ratio of 58%. If you're looking to start a dividend portfolio from scratch, this should be a stock you look at first.

Invest in Canada's Warren Buffett

While there may be just one Warren Buffett, another institutional investor has been called Canada's Warren Buffett by many. **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) Bruce Flatt has been compared to the Oracle of Omaha for his long tenure as CEO, value investing style, and large ownership stake in the company. He is highly respected by many in the financial media industry. Flatt often makes appearances on CNBC and other investing programs to discuss the state of his business.

Brookfield Asset Management owns a diversified portfolio of subsidiaries that are leaders in their respective industries. Focused on real assets, Brookfield has exposure to the real estate, infrastructure, renewable energy, and private equity markets. Currently, Brookfield Asset Management offers a forward dividend yield of 1.04% with a payout ratio of 57.7%.

Choose a recession-proof company

There are few true recession-proof companies. However, if that's a quality you're interested in, perhaps consider investing in the utility sector. Homes and businesses alike will continue needing utilities regardless of the state of the economy. Because of this, companies like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) should continue to see revenues flow in even during the worst of times.

Fortis provides regulated gas and electric utilities to more than 3.4 million customers across Canada, the United States, and the Caribbean. The company is notable for holding the second-longest active dividend growth streak in Canada at 47 years. This is very impressive when you consider all of the market downturns that the stock has had to endure over the past five decades.

Fortis offers investors a very attractive dividend yield of 3.66%. The company does have a high payout ratio of 73.1%. However, Fortis's long history of smart capital allocation should reassure investors of its potential continued growth.

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