



Got \$3,000? 3 Top Dividend Stocks to Buy Today

Description

Growth stocks made all the headlines in 2020. The pandemic led to a surge in tech stocks in particular. And with valuations of those high-growth tech stocks now getting to be stretched, we're starting to see a rise in value stocks through the first three months of 2021.

The **TSX** has no shortage of [top dividend stocks](#). Whether you're looking for a steady blue-chip Dividend Aristocrat or a high-yielding market-beater, there's likely a dividend stock for you.

I've reviewed three top dividend-paying companies that any investor looking to build a [passive income](#) stream should have their radar. The three dividend stocks are all very different from each other, so there's no harm in adding the basket of three companies to your portfolio.

Algonquin Power & Utilities

At the top of my watch list, I've got **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). The utility provider is also a part renewable energy company, so the high-yielding dividend stock has a growth element to it as well.

The dividend stock has seen its share price nearly double over the past five years. Considering its annual dividend of \$0.79 per share yields 3.9% at today's stock price, it makes that near-100% growth that much more impressive.

The growth potential of the entire renewable energy sector is why I believe Algonquin Power & Utilities will continue to drive [market-beating growth](#). But since it's partially a utility provider too, it won't benefit from the same growth levels that some other pure green energy stocks could see. That's fine by me, though, as the utility part of the business will make this one of the more stable holdings in your portfolio.

Sun Life Financial

The financial sector has been on a tear since the beginning of 2021. With lowered interest rates in 2020, it was a rough year for the major banks and other financial services companies. But with the

reopening of the country around the corner, we're beginning to see a rebound in many top [undervalued](#) financial stocks.

In addition to a 3.4% dividend yield, **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) is on my list of dividend stocks for two other reasons.

First, the insurance business is not going away anytime soon. Individual consumers and businesses will always need a variety of different insurance policies. That makes Sun Life a reliable dividend stock you can feel good about holding for the long term.

Second, the financial stock's valuation is far too low to pass up. The stock is trading today at a favourable forward price-to-earnings ratio of barely 10. It's no wonder we're seeing financial services stocks riding a strong bull run right now. Prices like this will not stay this low forever.

Brookfield Infrastructure Partners L.P.

Much like Algonquin Power & Utilities, this dividend stock can also provide shareholders with market-beating growth and a top dividend yield.

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) also provides investors with broad diversification across industries and geography. Through its global presence, the company owns and operates all kinds of businesses, including transportation, utility, energy, and data centres.

The dividend stock has crushed the Canadian market's returns over the past five years. Shares of the infrastructure company have doubled since early 2016. And that's not including the stock's impressive 3.8% dividend yield either.

Not only is the company's stock price growing at a strong rate, but so is its dividend. The company has grown its distribution at a compounded annual rate of more than 10% over the past decade.

CATEGORY

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:SLF (Sun Life Financial Inc.)

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