



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

Description

The Canadian stock market is off to a hot start this year. After barely posting a gain in 2020, the **S&P/TSX Composite Index** is already up close to 10% year to date.

Valuations are beginning to return to pre-COVID-19 levels, but there are still lots of deals to be had. Dividend stocks offer Canadian investors some of the most attractive valuations on the **TSX** right now.

If you're looking to earn some passive income through your investment portfolio, now would be a good time to [invest in dividend stocks](#). Prices of top dividend-paying companies are still reasonably priced, but that won't last for long.

Dividend stock #1: Royal Bank of Canada

The Canadian banks are some of the top dividend stocks on the TSX today. Not only are the yields hard to match, but some of the dividend-payout streaks are absolutely incredible.

At a market cap of \$165 billion, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank and second-largest public company.

At today's stock price, the Dividend Aristocrat's annual dividend of \$4.32 per share equals a yield of 3.7%. In addition to that, the dividend stock is targeting a compound annual growth rate of more than 10% over the next decade.

If you're looking for a reliable blue-chip dividend stock, the Canadian banks are what you're looking for.

Dividend stock #2: Telus

The telecommunication company **Telus** ([TSX:T](#))([NYSE:TU](#)) is next on my list of top dividend stocks.

The \$30 billion company has a nearly 5% yield at today's stock price. A high yield isn't the only reason I've got this dividend stock on my radar, though.

Telus has two major growth catalysts going for it right now. The health sector and 5G technology could drive [market-beating growth](#) to shareholders over the next decade.

At the centre of Telus's healthcare solutions is Babylon. The mobile app allows users to easily consult with their doctors, review symptoms, and access clinical records — all of which is completely accessible directly from your phone.

The healthcare industry is in a prime position to be a major growth driver over the next decade. As a telecommunications company first, Telus might not be front in centre in the growth of the healthcare industry, but I'd sure bank on seeing the growth continue for its virtual healthcare solutions.

Dividend stock #3: Algonquin Power & Utilities

Speaking of growing industries, my last dividend stock is a Canadian leader in [renewable energy](#).

Shares of **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) are up more than 75% over the past five years. That's not even including the Dividend Aristocrat's 4% yield either.

Because Algonquin Power & Utilities is partially a renewable energy provider, it's been able to drive market-beating growth to its shareholders for a while now. The sector really started to heat up in 2020, and I think the growth is only getting started.

Not only is this dividend stock a market-beater with a 4% yield, but it's also growing the dividend at an impressive rate, too. Over the past decade, management has raised the dividend at an annual rate of 10%, which it plans on keeping through 2021.

Foolish bottom line

Growth stocks made all the headlines in 2020, but I've got dividend stocks at the top of my watch list for 2021.

The TSX has plenty of Dividend Aristocrats to choose from. Whether you're looking for record-setting payout streaks, high yields, or market-beating growth, there's a dividend stock for you.

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