8 Forever Stocks That Have Paid Uninterrupted Dividends for Up to 185 Years

Description

There's a special group of dividend-paying companies that I keep taps on called my 'Forever Stocks'.

These income names don't just pay a dividend. They're not just any old company with a few dividend increases.

No, these income champions have paid out a dividend to shareholders every year since at least 1953. In fact, the oldest member on this list hasn't failed to deliver a cheque to shareholders since 1829 — almost four decades before Canadian Confederation.

Impressed? You should be. When a company can reward shareholders with dividend payments over decades (or centuries in some cases), that's a stream of income you can count on to survive the test of time.

Meet Canada's Forever Stocks

As you might expect, the Forever Stocks are an elite group. There are hundreds of companies listed on the Toronto Stock Exchange. However, only a handful were able to make this list.

Company	Uninterrupted Dividends Since	Number of Consecutive Years	Yield
Bank of Montreal	1829	185	4.05%
Bank of Nova Scotia	1832	182	3.83%
Toronto-Dominion Bank	1857	157	3.60%

Canadian Imperial Bank of Commerce	1868	146	4.04%
Royal Bank of Canada	1870	144	3.86%
BCE	1881	133	5.00%
Fortis	1949	65	3.92%
Enbridge	1953	61	2.67%

Source: Company filings and Google Finance

Here's the main takeaway from this list: When your investment horizon is measured in decades, having a sustainable competitive advantage is critical to success.

Consider **Bank of Montreal** (TSX: BMO)(NYSE: BMO) and **Bank of Nova Scotia** (TSX: BNS)(NYSE: BNS), the two oldest members of this group. Few people love their banks like they love their favourite coffee at **Tim Hortons**. Yet these two companies are able to extract large profits from their banking customers year after year due to the high cost of switching between banks.

Many customers do all of their banking with one institution… mortgages… car loans… chequeing accounts… investments. Switching to a rival would be a cumbersome process of transferring accounts, filling out paperwork, and learning the name of a new financial adviser. It's this type of competitive advantage that has allowed BMO and Bank of Nova Scotia to crank out consistent profits and dividends for shareholders over decades.

In the case of **Fortis** (TSX: FTS) and **Enbridge** (TSX: ENB)(NYSE: ENB), you have natural monopolies. In industries like pipelines and utilities, it just doesn't make sense to have multiple players serving the same market. There are cases in which the business is profitable only when one company is exploiting it, but increased competition would ruin the opportunity for everyone.

Other companies can provide the lowest price for the same product, essentially shutting its competitors out of the market. **Royal Bank** (TSX: RY)(NYSE: RY) and **Toronto Dominion Bank** (TSX: TD)(NYSE: TD) are great examples of this. Because of their scale, these companies can borrow funds at unbelievably low rates and their fixed costs are spread across million of customers.

Yes, thanks to their competitive advantages these companies have pulled off the impossible. Consider them as a core holding in your dividend portfolio. No, they may not be featured on the next episode of *Quick Money.* However, they're companies you can count on to deliver for shareholders year in and year out.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BMO (Bank Of Montreal)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:TD (The Toronto-Dominion Bank)

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