

These 3 Stocks Have Raised Dividends a Combined 80 Years in a Row

Description

For dividend investors, there are numerous advantages to investing in the United States compared to Canada.

One of the biggest advantages is the selection of companies that have a track record of consistently increasing dividends, often for decades. Companies like **McDonald's**, **Coca-Cola**, **Johnson and Johnson**, and **Procter & Gamble** each have a track record of continually increasing dividends that lasts decades. Heck, Coca-Cola has increased its dividend annually for almost as long as I've been alive.

The good news for Canadian investors is we don't have to just look at American stocks for companies with decades of dividend growth under their belts. Pickings are a little slimmer here at home, but it's pretty easy to find companies that meet the criteria. Investors that are happy to choose companies with only five to 10 years of increases have even more choice, numbering into a few dozen companies. That's easily enough to form the basis of a portfolio.

Investors who are looking for companies with decades of dividend increases should start with these three titans of Canadian industry, which have almost a century's worth of consecutive dividend increases between them.

1. Fortis

The last time **Fortis** ([TSX: FTS](#)) failed to hike its dividend, Richard Nixon was in the White House, Pierre Trudeau led Canada, and the Dow Jones Industrial Average hovered around 1,000 points. The year was 1972, which just happened to be its first year as a publicly traded company.

Canada's largest power generator isn't showing signs of slowing down, either. Besides its slate of impressive assets owned in Canada, the company recently acquired **UNS Energy** for \$2.5 billion net of debt, boosting its presence in the U.S. The transaction is expected to be approved by the end of 2014.

The company is also looking at expanding its liquefied natural gas pipeline network, including a future project to build a pipeline to export the commodity from the west coast. Internally, management is expecting revenue to grow nearly 40% by 2018. Assuming margins stay constant, investors can look forward to Fortis maintaining its impressive streak of dividend increases. The company's current yield is 4%.

2. Thomson Reuters

Compared to Fortis, **Thomson Reuters'** ([TSX: TRI](#))(NYSE: TRI) streak of 20 years with an annual dividend increase doesn't look so impressive. Still, investors shouldn't discount the massive information company.

The company, which supplies information to thousands of different companies around the world,

focusing on sectors like finance and law, uses its position as a leader in its field to generate impressive free cash flow, coming in at \$1.2 billion in 2013. Management forecasts free cash flow to rise at least 10% this year.

Plus, the company is working on making its corporate structure simpler and more streamlined, which should translate to an additional \$400 million in annual cost savings by 2017. If the company can make that happen, look for its dividend growth streak to continue. Its current yield is 3.7%.

3. Imperial Oil

Even though **Imperial Oil** ([TSX: IMO](#))([NYSEMKT: IMO](#)) only has a current yield of 0.9%, it still has an impressive track record of increasing its dividend, doing so for 19 consecutive years.

Imperial Oil is one of Canada's premier energy companies. It has huge oil sands operations, including its Cold Lake project and its share of the Syncrude project, which produce more than 200,000 barrels of oil per day. It also has extensive oil and gas fields across Canada, which produce nearly 100,000 barrels per day. Additionally, Imperial Oil has several refineries, and a network of gas stations across the country.

In 2013, the company made \$2.8 billion in profits, yet only paid shareholders just a bit over \$400 million in dividends. Considering how analysts are predicting both revenue and profits to grow by more than 20% during 2014, patient investors could be treated to some serious dividend hikes. Imperial Oil could raise its dividend five-fold and still be able to afford it. It's only a matter of time before management gets serious about rewarding shareholders.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:FTS (Fortis Inc.)
4. TSX:IMO (Imperial Oil Limited)
5. TSX:TRI (Thomson Reuters)

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