Dividend Investors: 2 Stocks You Can Truly Buy and Hold Forever

Description

Buying stocks that pay consistent and growing dividends is a time-tested way for long-term investors to get the returns they need to stay ahead of inflation and have some extra funds for retirement.

Here are the reasons why **Royal Bank of Canada** (TSX:RY)(NYSE:RY) and **Telus Corporation** (TSX:T)(NYSE:TU) are solid picks you can buy and forget about for decades.

Royal Bank

Canada's largest bank by market capitalization continues to deliver solid results, despite the headwinds facing the Canadian economy. In its Q1 2015 earnings statement, Royal Bank reported record earnings of $2.4 billion, a 17% year-over-year increase.

Royal Bank's diversified earnings stream is part of the reason the company is doing so well. Canadian personal and commercial banking are still the bread and butter of the company's revenues and accounted for 51% of earnings in the most recent quarter, but Royal Bank understands that growth opportunities also lie in other areas. In the past few years, management has focused on building strong wealth management and insurance operations, and these are delivering excellent results.

Royal Bank just increased its quarterly dividend by two cents. The annualized payout of $3.08 per share yields about 3.8%. The company has a 10-year dividend-growth rate of nearly 11%.

Royal Bank currently trades at a reasonable 11.4 times forward earnings and 2.2 times book value.

Telus Corporation

Canada's fastest-growing communications business puts a lot of emphasis on customer service. This strategy is paying off handsomely, as the company continues to grow both its wireline and wireless customer base across the country.

Telus enjoys the industry's lowest mobile churn rate and the highest average revenue per user. Apparently, happy customers spend more.

One part of the business that doesn't get much attention is Telus Health. The division focuses on providing doctors, hospitals, and insurance companies with secure online services to efficiently manage patient data. In the coming years, investors should see this area of the business grow significantly.

Telus also looks after its investors. Since 2004 the company has raised its dividend 15 times and paid shareholders $11 billion in the form of dividends and share buybacks. Over the past 10 years, the annualized dividend-growth rate has averaged about 17%.

The current dividend of $1.60 per share yields about 3.7%. The stock trades at a pricey 15.7 times forward earnings and about 3.5 times book. Sometimes you have to pay up for quality.

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TICKERS GLOBAL

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2. NYSE:TU (TELUS)
3. TSX:RY (Royal Bank of Canada)
4. TSX:T (TELUS)

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Author
aswalker