



5 Companies That Have Been Rewarding Shareholders for (at Least) 140 Years

Description

You know what's incredible?

- Canada Post may be using drones for mail delivery soon; and
- five stocks have been paying uninterrupted dividends for more than 140 years.

Who are the fantastic five?

To home in on the more incredible of the two factoids, five Canadian stocks began to pay dividends before the National Hockey League was formed (and, in some cases, before the Toronto Stock Exchange existed!). And since then, they've never missed a single payment.

In fact, one of them is the oldest dividend-paying company in Canada, paying its shareholders for not 25, 50, or even 100 years, but 187 years—all the way back to 1829 in one case. Yes, even throughout World War I or II or The Great Depression. (It may not be as cool as mail delivery via drones, but it's more impressive, right?)

I'll quit testing your patience and reveal the five loyal stocks (all of which are banks, by the way):

	Paying Uninterrupted Dividends Since...	Current Yield	10-Year Dividen Rate
Bank of Montreal (TSX:BMO)(NYSE:BMO)	1829	4.16%	5.36%
Bank of Nova Scotia (TSX:BNS)(NYSE:BNS)	1832	4.42%	7.18%

Toronto-Dominion Bank (TSX:TD)(NYSE:TD)	1857	3.9%	9.49%
Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)	1868	4.69%	5.26%
Royal Bank of Canada (TSX:RY)(NYSE:RY)	1870	4.12%	9.21%

Source: Data provided by S&P Global Market Intelligence

It is mind-blowing that the banks have sustained their consistent dividend payments even during the hardest economic times. But aside from being impressed, investors should take a closer look at that incredible consistency, particularly in low-interest rate environments.

After all, investing is a method of making your money make money, and dividends are a reliable way of doing exactly that. According to a recent research conducted by Invesco, dividends add up over the years, and it is possible to get the investment back without waiting for the stock price to go higher.

In fact, the research shows that dividend-paying stocks have outperformed non-dividend-paying stocks for the five-year period following every recession since 1972. Simply put, dividend payments are consistent realized income for shareholders through thick and thin.

If the cash in your pocket is exactly what you needed, perfect. If not, no worries; you can always reinvest dividends to accumulate more shares and grow your portfolio (through DRIPs, for instance). All of the five banks mentioned offer DRIPs, which give shareholders the option of reinvesting all or part of their dividends—without paying brokerage or service fees.

Last but not least, the fact that the banks have been paying uninterrupted dividends for more than 140 years demonstrates that they are committed to their shareholders.

In the table above, you can also see that they've been steadily growing their dividend payments over the past 10 years. And given that longstanding track record, I believe it'd take something extraordinary for them to miss a payment.

Foolish conclusion

A portfolio full of safe dividend-paying stocks may not be the sexiest one out there. But if you are risk-averse and get scared rather than excited by the volatility of hidden gems, or if you are simply looking for income, these banks might be your best friends.

CATEGORY

1. Bank Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. NYSE:RY (Royal Bank of Canada)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:BMO (Bank Of Montreal)
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