TFSA Investors: 2 Dividend Stocks to Own for 20 Years

Description

Canadians are searching for top dividend stocks to add to their TFSA retirement portfolios.

Let's take a look at **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) and **Canadian National Railway Company** (TSX:CNR)(NYSE:CNI) to see why they might be interesting picks.

Enbridge

Enbridge closed its $37 billion acquisition of Spectra Energy earlier this year in a deal that created North America's largest energy infrastructure company.

Spectra added important natural gas assets to complement Enbridge's strong focus on liquids pipelines and provided a nice boost to the development program.

In the Q2 2017 earnings report, Enbridge says it has $31 billion in commercially secured projects on the go that should be completed in the next few years.

As the new assets go into service, Enbridge expects cash flow to increase enough to support annual dividend hikes of at least 10% through 2024. The company has a solid track record of dividend growth, so investors should feel comfortable with the guidance.

Enbridge currently pays a quarterly distribution of $0.61 per share for a yield of 4.9%.

Long-term investors have done well with this stock. A $10,000 investment in Enbridge 20 years ago would be worth about $155,000 today with the dividends reinvested.

CN

CN is the only rail operator in North America with tracks that connect three coasts. This is a great competitive advantage, and investors will probably see it continue for quite some time.

Why?

Attempts to merge railway companies tend to run into regulatory roadblocks, and the odds of new tracks being built along the same routes are pretty slim.

CN still competes with the trucking industry and other rail operators on some routes, so management works hard to run the business as efficiently as possible.

The company regularly reports an industry-leading operating ratio and is widely viewed by pundits as the top company in the sector.

CN’s annualized dividend-growth rate over the past 20 years is about 16%, and the company also has a strong history of share buybacks.

A $10,000 investment in CN just 20 years ago would be worth about $240,000 today with the dividends reinvested.

Is one more attractive?

Both stocks should continue to be solid buy-and-hold picks for a retirement portfolio.

If you only buy one, Enbridge looks a bit oversold right now, so I would probably make the pipeline giant the first choice today.

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