



2 Top Dividend Stocks You Can Safely Own for the Next 30 Years

Description

When you start to build your buy-and-hold dividend portfolio, it's better to look for companies that provide essential services. I'm talking about power and gas utilities, telecom service providers, banks, and insurance companies.

These service-oriented businesses have one thing in common: once they have invested heavily to build their infrastructure, their massive consumer base keeps cash coming. And this is what matters for income investors, whose aim is to earn steady income over long term. With this theme in mind, here are two top dividend stocks that fit the bill.

Fortis Inc.

St. John's-based **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is a North American utility with a diversified asset base. The company provides electricity and gas to 3.2 million customers in the U.S., Canada, and Caribbean countries, with its U.S. operations accounting for 59% of its regulated earnings.

During the past few years, Fortis has expanded organically by acquiring assets in the U.S. In its biggest transaction, Fortis bought ITC Holdings Corp., a Michigan-based electricity transmission company, for US\$11.3 billion in 2016.

Fortis has a robust growth plan, which is expected to fuel growth in its earnings and dividends. According to the company's guidance, its \$15 billion, five-year capital-spending plan will produce an annual compound growth rate of 5.4%.

The five-year capital-expenditure plan is driven by investments that improve and automate the electricity grid, address natural gas system capacity and gas line network integrity, increase cyber protection, and allow the grid to deliver cleaner energy.

With an annual dividend yield of 4%, Fortis plans to hike its \$1.7-a-share annual payout by 6% through 2022. With growing dividends, you also need stability in your return. And Fortis hasn't done badly on this metric either. The company has increased its dividend payout for 44 consecutive years.

Telus Corporation

Just like power and gas utilities, Canadian telecom operators are among the top dividend-paying stocks that provide stable and growing dividends to income investors.

Among the nation's top three operators, [Telus Corporation](#) ([TSX:T](#))([NYSE:TU](#)) offers an attractive opportunity to earn dividend income and benefit from the company's growth potential.

Telus is targeting 7-10% growth in its dividend each year until 2019, as it grows its customers in a highly competitive wireless market. In the first quarter of 2018, Telus added 48,000 net postpaid wireless customers, up 9% over the same period last year.

With a current dividend yield of 4.4%, Telus pays a \$0.525-per-share quarterly dividend after a 4% hike announced today — the company's 15th payout increase since 2011.

Which one is better?

Giving equal exposure to both Fortis and Telus is a good strategy for your buy-and-hold portfolio. Both stocks are the leaders in their industries with stable cash flows and a plenty of growth opportunities.

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hanwar

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