Millennials: 4 Dividend Stocks to Buy and Hold in Your TFSA Forever

Description

It is no secret that millennials have entered a far different investment environment than prior generations. Many millennials entered the workforce in the years following the 2007-2008 financial crisis. Because of this, these investors have only known prosperous years for the stock market. The prospect of higher interest rates and rising trade tensions between global economic powers like the United States and China demonstrate that new challenges have emerged.

Fortunately, millennials have time on their side. History shows us that patient investors win out, but it does not hurt to hold stocks that pay out income for the long term. Today we are going to look at four options that are right at home in a TFSA.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)

CIBC stock has plunged 7.5% over the past month as of close on October 23. This month-over-month plunge has driven shares into negative territory for 2018. CIBC has reported adjusted net income of $4.09 billion for the first nine months of 2018 compared to $3.36 billion in the prior year.

The bank has been powered by its performance across all its segments, even as its mortgage growth has slowed in comparison to previous years. CIBC also offers a quarterly dividend of $1.36 per share, representing an attractive 4.6% dividend yield. This top Canadian bank stock is a solid buy-low option today.

BCE (TSX:BCE)(NYSE:BCE)

BCE stock has increased 1% over the past month. Shares are still down 12.2% in 2018. The rate-tightening path has seen utilities, telecom, and other favoured income options fall out of favour as bond yields have risen. However, BCE boasts a very favourable price heading into November. In the second quarter the company reported total broadband internet and IPTV net additions of 31,469, which were up 76.5% from the prior year. The board of directors declared a quarterly dividend of $0.755 per share, which represents a 5.6% dividend yield.

Innergex Renewable (TSX:INE)

Innergex stock has climbed 1.2% over the past week. Shares have dropped 15.7% in 2018 so far. Young investors should aim to hold shares in renewable energy equities as the public and private sphere makes a concerted effort to switch to green energy over the next half century. Revenues and adjusted EBITDA were up 37% and 15%, respectively, in the year-over-year period in the second quarter. The stock offers a quarterly dividend of $0.17 per share, representing a rock-solid 5.5% dividend yield.

CAE (TSX:CAE)(NYSE:CAE)

CAE stock has dropped 8.6% over the past month. Shares are still up 3.3% in 2018 as of close on October 23. In the first quarter of fiscal 2019 CAE reported revenues of $722 million, which were up 10% from Q1 2018. Earnings per share rose 18% year over year to $0.26 and the board of directors increased its dividend payment by 11% to $0.10 per share. This represents a modest 1.5% yield. CAE is especially attractive due to its defence sector exposure. Defence spending is expanding internationally and CAE continues to pull in lucrative contracts.

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