3 Dividend Growth Stocks to Hold for Decades

Description

There are many great dividend stocks to choose from on the **TSX**, but growing payouts are especially valuable for long-term investors who just want to sit back and watch their dividend income rise over the years. Below are three stocks that are safe buys that provide solid yields of more than 3% per year today that are likely to grow over time.

BCE Inc (TSX:BCE)(NYSE:BCE) is one of the best dividend stocks that you can buy on the TSX. It's an industry leader that consistently posts strong sales and profit numbers and pays a 5% yield, providing a lot of stability and a terrific quarterly payment that you can rely on for years, making it a solid investment that you can buy and forget about.

While you might not earn significant capital appreciation, with the stock rising just 22% in five years, it's the dividend income that makes this stock a great addition to your portfolio. Not only does it pay a high yield today, but it's also likely to increase over the years as well. Without any big needs for capital, BCE has the ability to use its free cash on dividends and provide investors with the best payouts possible.

Earlier this year, BCE hiked dividend payments by 5%; over five years they have risen by 28%. It's an ideal dividend stock for long-term investors.

Atco Ltd (TSX:ACO.X) is an appealing investment for investors seeking diversification. Operating across multiple industries including energy, transportation and logistics, the company has many different ways to grow and generate sales. Atco has had no problem posting a profit over the years, and in 2018 saw sales growth of 7.6%.

Although the stock will see more fluctuations than BCE, its long-term trajectory remains strong as over 10 years the share price has risen around 160%. Trading at only 1.4 times its book value, Atco could be a good value buy while also providing investors with a dividend of 3.6%. It too has increased its dividend payments, most recently by 7.5%, while over five years they have grown by 88%.

Atco could ultimately be a much higher-yielding stock in the years to come, and investors that lock in today will benefit even more, earning a higher percentage on their initial investment.

Canadian Western Bank (TSX:CWB) may not be one of the Big Banks, but that doesn't mean that it isn't a great buy. Trading at lower multiples, investors have to pay a lower price for the stock than they would for some of the bigger banks. Currently, CWB is trading at only 1.1 times book value and 10 times earnings. Those are cheap multiples for a bank stock that saw net revenues rise by 10.5% in 2018.

Unfortunately, the stock has struggled in the past year, dropping 16% during that time. However, with good fundamentals, CWB could prove to be an underrated buy, especially with a dividend that's paying shareholders 3.7% per year. With dividend payments up 35% since 2014, it's yet another great dividend growth stock that you can hold for decades.

CWB has a market cap of just $2.5 billion with a lot of potential upside left, especially with the Alberta economy underperforming and things potentially looking a lot stronger in that part of the country.

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2. TSX:ACO.X (ATCO Ltd.)
3. TSX:BCE (BCE Inc.)
4. TSX:CWB (Canadian Western Bank)

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