



2 Top TFSA Dividend Stocks to Own for a Decade

Description

It can be seriously tempting to get behind stocks that seem exciting and set up for quick growth. But those stocks, unfortunately, are fairly hard to come by.

That's why Canadian investors are usually better off to invest in buy-and-hold stocks, and, frankly, it's way easier — easier on your mind, easier as a decision, and easier on your wallet.

If you're an investor looking to buy and hold some stocks for at least a decade, there are quite a few you can consider. However, there are definitely a few factors to think about: Does the stock offer a dividend? How much? Does it have a long history of steady share growth? How is its future outlook?

Luckily, all of these answers can be found with the stocks I've found today. Each offers investors a chance to make a reasonable amount of growth in the next decade, especially if reinvesting each company's strong dividend.

Suncor

There's a reason celebrity investor [Warren Buffett](#) is putting **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) on his buy list. The company has a strong history of solid performance, but with the oil and gas industry the way it's been for the last year, share prices have continued to slump below net asset value (NAV).

As of writing, shares trade at around \$41.50, but in the next year analysts believe that share price could skyrocket to \$65 per share. This comes from the company's ill-timed reinvestment and growth projects that are currently underway.

Despite starting these projects up on the eve of an oil and gas glut, Suncor has still managed to keep a strong balance sheet. Its first-quarter results revealed a year-over-year increase in net income of 86%, and its earnings per share for next year are expected to rise by 6% following this year's rise of 26%. And that's *with* government cuts on oil production.

Finally, there's the company's dividend to consider. Suncor right now boasts a 4.03% dividend yield,

which would give investors a hefty sum while they wait for this stock to rebound. Given the firm's steady balance sheet, long-term cash flow, and expansion projects, there's no reason to think Suncor won't continue the steady increase it's had over the last decade.

Vermilion Energy

Next up, we have **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)), an energy company that is perfect for dividend investors looking for a [bargain](#). The main difference, however, between Suncor and Vermilion is Vermilion doesn't have the stellar track record of earnings performance that Suncor can claim.

But that all looks about to change. The firm has a 2% rise in overall production year over year, with funds from operations climbing 14%. Production is predicted to rise 19% this year, partially due to the acquisitions being made by Vermilion. Those acquisitions have increased the company's debt to about 40%, but should increase overall production for years to come.

That's why this is definitely a buy-and-hold stock. Vermilion tends to be the last in, first out when it comes to investment. That should change as its acquisitions fire up and should keep the amazing 9.7% dividend yield safe for decades.

Foolish takeaway

If investors use historical performance as an indicator, both of these stocks offer an excellent option over the next decade to make some serious cash. Of course, no stock comes without risk, and each stock here has some that investors should keep in mind. But if your goal is to buy and hold, each has a future outlook that looks incredibly promising for the patient investor.

CATEGORY

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