



3 High-Yield Dividend Stocks to Pay You for Decades

Description

When choosing a stock to invest in, many investors focus on the change in share price to make a profit. But did you know that dividends earned from holding stock can also be a great way of getting yourself paid? You can earn a lot of passive income just by holding dividend stocks for decades.

However, even profitable companies can cease issuing dividends to invest in things like expansion and R&D. [Apple](#) is an excellent example of this case, because it did not give out any dividends between 1995 and 2012, despite having over \$25 billion in cash reserves.

A company like [Coca-Cola](#) has been one of the favourites among investors, because it has been consistently issuing dividends to its investors since 1920. Moreover, the dividends have been increasing every year for the past 55 years, so it's no wonder that even Warren Buffett holds Coca-Cola stock.

Take, for instance, a \$1,000 investment in Coca-Cola shares. Let's assume a 7% dividend yield and a 5% share price increase, while reinvesting all dividends and increasing the investment by \$100 every month. In 20 years, that portfolio would be valued at \$101,632, which is remarkable.

Knowing how profitable dividend stocks can be to you, now it's time to check out some of the best choices in the market today.

Genworth MI Canada

Genworth MI Canada (TSX:MIC) is a company that prides itself as the largest insurer in Canada for private sector residential mortgages. On July 30, the company declared that it would be issuing \$0.51 per common share in the second quarter of the 2019 fiscal year ended June 30. Going by the payments made in the 2018 fiscal year, this company has a trailing yield of 4% after spending 42% of its profit.

This company has issued increasing dividends every year over the past decades, and its financials are still good enough to assure future dividends. Canada Housing and Mortgage Corporation's economist

stated that home prices would plateau and increase on a sustainable linear path.

Meanwhile, the Canadian government will be pushing for more affordable housing and an increase in housing supply. This shows a lot of promise from a dividends perspective and should be among the top three picks among dividend stocks.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is one of the major pipeline companies, transporting 25% of all crude oil in North America and 60% of crude oil from Canada to the U.S. Not only that, but it also owns renewable energy assets in North America and Europe as well as a large utility company in Canada.

With the recent acquisition of Spectra Energy, Enbridge is now arguably North America's largest pipeline company.

Q2 earnings for the 2019 fiscal year reported higher revenues of \$13.26 billion and \$1.74 billion in profits. However, the company's stock slipped lower because of hiccups with its Line 3 Pipeline Replacement project; the courts recently approved this project.

The position held by Enbridge is still stable, and with a 6.7% dividend yield, it is worth a glance as a dividend stock. Already, dividends have increased by 110% in the previous five years, and there are no signs of slowing down. The recent slip in stock prices may be just the opportunity for you to ride the wave.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) finds itself in the attractive position of being among the three dominant players in the telecom industry in Canada. That alone should give you some hope about the future of this company in the industry. But it is the dividend yield of 4.7% that makes this a darling among dividend yields, and it's why so many ETFs and mutual funds include this company in their portfolio.

At the same time, you must consider the potential interest rate hikes being anticipated from the Bank of Canada. When this happens, future cash flows may be affected, thus lowering the yields. Plus, there is a competitor, **Shaw Communications**, that seems determined to chew off some of Telus's subscribers.

That being said, Telus is still a good bet as far as dividend stocks are concerned, but you would have to keep a close eye on future shifts in the industry.

In conclusion

Any of these three high-yield dividend stocks would make a welcome addition to your portfolio. The stocks could reward you for decades to come.

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