3 Dividend Stocks to Hold for a Century

Description

Recent data has revealed some issues with the way Canadians have chosen to use their registered savings accounts in recent years. Many Canadians are using their Tax-Free Savings Account (TFSA) just to hold cash. Other studies have shown that a worrying number of Canadians have failed to save anything for retirement, let alone maximize the effectiveness of their RRSPs.

Today, we're going to look at three dividend stocks that are worthy targets for beginners. These companies boast a wide economic moat and nice income.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) has been a high performer in 2019. Utilities have been a great bet for income investors in the face of tumbling bond yields. Shares of Fortis have climbed 24.7% in 2019 as of close on September 9.

In the first six months of 2019, Fortis has reported net earnings of $1.03 billion, or $2.39 per share, compared to $563 million, or $1.33 per share, in the prior year. The company announced another boost to its capital plan, which now sits at $4.3 billion for 2019. It forecasts that its five-year capital plan will increase its rate base from $26.1 billion in 2018 to $35.5 billion in 2023.

The stock currently offers a quarterly dividend of $0.45 per share. Fortis has achieved dividend growth for 45 consecutive years and is well on the way to becoming a dividend king in the next decade. This is a stock to trust for the long haul.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) possesses one of the largest market caps on the TSX. It is the largest energy infrastructure company in North America and boasts a deep project pipeline that will support growth well into the next decade. Energy stocks have experienced a turbulent summer, but Enbridge stock is still up 12% in 2019 as of close on September 9.

Investors can expect to see the company's third-quarter results in the middle of the fall. In the year-to-date period at the end of the second quarter, Enbridge posted adjusted EBITDA of $6.97 billion, which was up $6.57 billion from the prior year. Adjusted earnings have climbed to $2.98 billion over $2.47 billion in the first six months of 2018.

The energy heavyweight is expected to post another 8-10% increase to its dividend in 2020. Right now, Enbridge stock boasts a quarterly payout of $0.738 per share. This represents a tasty 6.5% yield. Even better, Enbridge has achieved dividend growth for 23 consecutive years.

Hydro One

Hydro One (TSX:H) is a relative newcomer to the TSX. The utility has a monopoly in the province of Ontario. Shares of Hydro One have climbed 22.9% in 2019 so far, riding the same wave that has propelled other utilities like Fortis.

The company has reported adjusted diluted earnings per share of $0.78 in the first six months of 2019, up $0.10 from the same period in 2018. Adjusted income has increased to $466 million over $404 million in the prior year. Hydro One has battled investor anxiety due to the tug-of-war between its private and public ownership, but its wide moat should be enough to ease worry.

Shares of Hydro One offer a quarterly dividend of $0.2415 per share, representing a solid 3.9% yield. The company has hiked its dividend payout in every year since its initial public offering.

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