



TFSA Investors: 2 Dividend Aristocrats to Buy and Hold for Decades

Description

Have you considered investing in the stock market, but shied away because of the complexity of buying and selling shares? If that's the case, you should probably look into dividend aristocrats.

In Canada, the companies that have increased the dividend paid out to their investors for five consecutive years, are called dividend aristocrats.

There are more criteria in listing a company as a dividend aristocrat, but most of them point toward relative stability.

Investing in such a company allows you to buy stock and hold on to it for decades, generating a consistent passive income through dividends. This investment is ideal if you're a Tax-Free Saving Account investor.

The TFSA is perfect for receiving your dividend payment from your investments. You will not pay any tax on your contribution limit of up to \$6000 a year, as of the current year. You may save an even more substantial sum if you have contribution room in your TFSA carried forward from previous years.

Let's take a look at two dividend aristocrat companies that [TFSA investors](#) should consider.

BCE Inc.

Formerly the Bell Canada Enterprise, **BCE Inc.** ([TSX: BCE](#))([NYSE:BCE](#)) is a fantastic stock to check out. With a consistent increase in its dividend for the past 10 years, BCE Inc. has earned its place as dividend royalty.

From \$2.47 per share in 2014 to \$3.17 per share in 2019, the company has increased its dividend every year for the past five years.

BCE is currently the highest dividend payer in the telecom sector. As a telecom giant, the company's future is relatively secure. BCE has invested billions in improving the infrastructure to accommodate

the upcoming 5G, which will ensure the company's growth for years ahead.

A market cap of \$57.21 billion and increased revenue generation almost every quarter make BCE one of the most stable companies in the country. TFSA investors should look at buying shares in BCE for long-term consistent dividend payouts.

Capital Power Corp

The other dividend noble you might want to consider is **Capital Power Corp** ([TSX:CPX](#)). CPX's dividend payouts have grown from \$1.31 per share in 2014 to \$1.92 per share in 2019, which translates to a 146.5% growth since 2014.

This consistent dividend payout growth for the last five years has earned Capital Power the title of a dividend aristocrat.

The share price today stands around \$30 at writing. These prices have been relatively steady since the start of June and have taken a small downturn, making now a good time to buy into Capital Power. The current dividend yield is a healthy 6.36%, and it has not fallen below 5% in the past five years.

Conclusion

Investing in the stock market might take a lot of preparation, calculation, homework, and staying alert to the trends in the market. However, [buying in stable companies](#) like BCE or Capital Power, while having a TFSA, might allow some investors to build a safe nest egg.

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1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CPX (Capital Power Corporation)

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Author

adamothonman

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