2 High-Yield Dividend Stocks to Buy and Never, Ever Sell

Description

A lot of people work hard their entire lives to make money and build up their wealth. Saving money, putting it aside, and never touching it is a good sentiment, but I think it is futile. The entire amount you save should never be left to sit idle. As you keep working to earn more money, you should use the money you have saved to work for you.

Luckily, there are various tools you can use to make your money work for you. The Tax-Free Saving Account (TFSA) is perhaps the most useful option to that end. Any assets you store in the account stay there tax-free. Any earnings from the assets in the account will also accumulate in the account without additional charges or management fees.

I am going to discuss **Fortis** (TSX:FTS)(NYSE:FTS) and **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). Stocks from both companies pay investors a decent amount in dividends. Other than capital gains from the share prices of both companies, you can accumulate even more wealth in your TFSA, thanks to the reliable dividend payouts.

Let us take a look at both the stocks to see if you should consider adding them to your investment portfolio.

Fortify your portfolio

One of the qualities of a stock you should buy and hold forever is that it needs to be able to perform well, despite the headwinds of recessions and business cycles. It is not the only requirement, but it is smart to have a stock that will remain stable. The utility sector is an excellent industry to look for such a company, and I think Fortis has plenty going for it.

The company has a remarkable balance sheet. Fortis also boasts an excellent dividend-growth track record spanning 45 years. The company has not just paid its shareholders dividends for more than 40 years. It has increased the amount it pays in dividends each year. The dividend-growth streak has made Fortis a Canadian Dividend Aristocrat.

Fortis continues to perform well, as it offers stability to its shareholders. A dividend yield of 3.68% at writing with a share price of $51.88 makes FTS a solid buy.

Banking royalty

Canadian Imperial Bank of Commerce is among the top banks of the banking sector. All the fundamentals for CIBC hit the right chords when you want to consider a company to buy and hold forever. The company has more than just a healthy dividend yield of 5.01% at $86.62 per share, and it has diversified operations.

The payout ratio for CIBC, in particular, is a significant factor to consider. A 48.38% payout ratio means that the company is currently paying less than half of its earnings as dividends. The payout ratio means there is room for the company to grow its payouts to shareholders, even further as it makes more profits.

The company's exposure to international markets means it can rely on other market segments to mitigate any volatility in domestic operations. CIBC also has a return on equity at 14.32%. It means CIBC is easily able to afford its dividends and can continue to pay more in the long-term future.

Foolish takeaway

Fortis and CIBC can both pay you reliable dividends while continuing to grow. Buying and holding stocks from both companies can help set you up for life. I think that both stocks are excellent picks for long-term investors who want to make their money work for them.

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1. Bank Stocks
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