



RRSP Investors: 2 Canadian Dividend-Growth Stocks to Own for 30 Years

Description

The Registered Retirement Savings Plan (RRSP) contribution deadline is just days away. If you're scrambling to make the contribution right now, there's very little time to investigate and pick the right stocks.

Nevertheless, using this opportunity to mitigate your tax burden and bet on long-term capital gains in the stock market is crucial for a comfortable retirement. With that in mind, here are two dividend-growth stocks I would recommend not just for this year but for every year until you retire.

Global grocery giant

There's two reasons I like Laval-based convenience stores giant **Alimentation Couche-Tard** (TSX:ATD.B) above all the other competitors in the consumer retail space.

Firstly, the company is in remarkably good financial shape. Cash and cash equivalents are worth \$1.16 billion, while the company generated \$1.62 billion in leverage-adjusted free cash flow over the past year. The management team has decided to keep the payout ratio unbelievably low at less than 10% to service the debt. Meanwhile, income could [double within five years](#).

Another reason I like this company is because its income is much more diversified than other retail chains. Alimentation has 5,000 stores across Canada, the United States, Europe, Mexico, Japan, China, and Indonesia. That makes the company less vulnerable to economic weakness in any particular region.

A diversified and steadily growing base of income, operating in a somewhat recession-proof industry, makes Alimentation Couche-Tard one of my favourite dividend-growth stocks.

Green energy

The transition to green and renewable sources of energy is going to be one of the biggest economic shifts of our generation. I believe the market is unimaginably large over the long term and is already worth over US\$1 trillion this year, according to industry experts.

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is clearly at the forefront of this revolution in Canada. Backed by one of the largest asset management companies in the world, this alternative energy firm manages 19,000 MW of production capacity and 5,274 generating facilities across North America, South America, Europe, and Asia.

One of the few pure-play green energy stocks on the Canadian stock market, Brookfield Renewable has already delivered a 70% return to shareholders over the past 12 months. Despite this spike, the dividend yield is still higher than most other Canadian stocks at 3.8%.

Brookfield is expected to deploy [another \\$4 billion](#) to acquire more production facilities and expand operations in Asia. Meanwhile, demand for clean energy is likely to be driven further by government regulations and a shift in consumer preference over the next few decades. In other words, this is a dividend-growth stock you can hold onto forever.

Bottom line

A last-minute RRSP contribution is never easy, but if I had to pick two dividend-growth stocks to buy this year and hold forever, I'd probably pick Brookfield Renewable Partners and Alimentation Couche-Tard. Both companies offer a rare combination of robust fundamentals, decent valuations, and encouraging prospects for income growth over the next few years.

Add these to your RRSP or your long-term watch list this year.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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