



3 Top Dividend Stocks to Buy and Hold for the Next 20 Years

Description

Want to reap the rewards of investing? The best returns are gained by investing in great businesses long term. With dividend stock investing, you can enjoy some of the rewards (i.e., the dividends) along the way if you wish.

However, delayed gratification can make the reward even bigger in the future, especially so if you choose to reinvest the dividends in market corrections, such as one we're experiencing now.

If you buy and hold these three top dividend stocks for the next 20 years, you should be massively rewarded.

A top utility dividend stock for your portfolio

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) has held up very well against the current market selloff. The dividend stock still trades well above its 50-day simple moving average, and it's about 31% higher than it was a year ago.

BIP owns and operates a globally diversified and top-notch portfolio of infrastructure assets that help move and store energy, water, freight, passengers, and data. The company offers a needed product and service that will be relevant for the next 20 years and beyond.

A demonstration of BIP's shareholder value creation is its dividend growth track record and market-beating returns. BIP stock has increased its cash distribution for 12 consecutive years with a 10-year dividend growth rate of 11%.

Its 10-year total returns are about 21% per year against the U.S. market's 12%. Currently, the dividend stock offers a yield of 4.1%.

BIP's global advantage also allows it to sell mature assets for strong profits and redeploy capital into risk-adjusted higher-return investments.

A telecom with growth ahead

TELUS ([TSX:T](#))([NYSE:TU](#)) is another stable dividend stock that has held up strongly against this market correction. It's resting on its 50-day simple moving average, which still has its uptrend intact.

Telus has invested in its telecom infrastructure for decades. Its 4G LTE infrastructure covers about 99% of the Canadian population.

It's focused on a growth strategy and continues to invest in its broadband technology, thus enabling it to stay relevant for the future, including getting its network ready for 5G deployment down the road.

Most Canadians can't do without their internet or smartphones. This enables Telus to increase the pricing of its products and services every year at a rate that's better than inflation.

Telus stock has increased its dividend for 16 consecutive years with a 10-year dividend growth rate of 9%. Currently, the dividend stock offers an attractive yield of nearly 4.7%.

Its 10-year total returns are about 12%, which aligns with market returns, albeit with lower volatility. According to Yahoo Finance, its five-year monthly beta is 0.68.

Energy infrastructure stock for stability

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another high-yield dividend stock you can count on. Enbridge stock has been in an uptrend, rising about 40% since early 2018. The stock remains in a positive trend and trades above its 50-day simple moving average.

The company made the strategic move to merge with Spectra Energy, which completed in February 2017. Enbridge took some time to digest the transaction. Since then, it has deleveraged its balance sheet with the help of \$8 billion of non-core asset sales.

In return, it now possesses the combined strongest liquids and natural gas infrastructure franchises in North America.

About 98% of the company's cash flows are contracted for the long haul, which makes its cash flow generation highly predictable. This will enable Enbridge to continue to [healthily increase its dividends](#) — something it's done for 24 consecutive years.

Its 10-year dividend growth rate is nearly 15%. As well, it offers a yield of 6.5% at the recent quotation of under \$50 per share.

Investor takeaway

You want these kinds of stocks as core holdings in your diversified dividend portfolio to help you stay calm in weak markets, allowing investors to benefit from the long-term growth of the businesses in the form of price appreciation and dividend increases.

In the latest wake of the market correction, Brookfield Infrastructure, Telus, and Enbridge are the types of stocks that should allow you to sleep well at night.

[Buy them on dips](#) and hold them for the next 20 years and beyond and retire wealthy!

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TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TU (TELUS)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:ENB (Enbridge Inc.)
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kayng

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