



Income Lovers: These 3 Dividend Kings Haven't Missed a Payout for 50 Years

Description

With dozens of **TSX**-listed stocks suspending and permanently cutting dividends — and dozens more on precarious ground — it's little wonder why investors are searching for something a little more stable.

Investors can get the security they crave by ensuring they own quality dividend stocks, the kinds of dividend kings able to at least maintain their payout during recessionary times. Sure, every recession is different, but a company with a history of handling these dark periods well should be able to weather the next storm, and the one after that.

Once we look at potential dividend stocks that way, an interesting pattern emerges. There's an upper echelon of Canadian stocks — names that have successfully weathered many recessions. These are the dividend kings you want to own over the long term, especially if you're concerned with a potential dividend cut.

Let's take a closer look at three Canadian dividend kings that have paid [consistent dividends](#) for at least the last 50 years. And, as a bonus, each of these stocks currently yield more than 5%.

Royal Bank

The first in our list of dividend kings is **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)), Canada's largest bank and now second-largest stock by market cap.

Royal Bank's name is fitting because the company is Canadian banking royalty. It not only has the largest market share; but it's also one of the nation's most trusted brands. It also boasts a leading market share in personal banking, mortgages, credit cards, commercial banking, wealth management, and capital markets. Heck, Royal Bank even has an insurance division.

Thanks to COVID-19 and its impact on the economy, investors are concerned about loan arrears. Royal Bank (and its peers) have granted temporary mortgage relief to millions of suddenly unemployed Canadians. This will impact earnings in the short term and should minimize loan losses going forward.

Royal Bank has paid dividends since 1870, a streak that should continue for a while longer. And thanks to recent pressure on the stock price, this dividend king's yield has surpassed 5%. The last time the yield was this high was back in 2009, which turned out to be a glorious buying opportunity.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) has thousands of devoted fans because the company has raised its dividend for 47 consecutive years — the longest dividend growth streak in Canada. This dividend king also paid investors consistently before that, giving it the over 50-year consecutive dividend streak we're looking for.

Investors are a little concerned about the stock today for a couple of reasons. COVID-19 has impacted power demand across the board, although not by much. Many of the company's assets are in Alberta, which is struggling. And investors are particularly worried about the company's midstream division, which has been hit hard by a decline in the energy sector.

But I'm not worried over the long term. In fact, today might be a great opportunity to pick up shares. The current dividend yield is 5.6%. The last time shares yielded this much consistently was more than 20 years ago.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) was first established in 1947 to ship natural gas from Alberta to the eastern part of the country. More than 70 years later, the company has grown into a behemoth that has nearly 100,000 kilometres of natural gas pipelines, close to 5,000 kilometres of oil pipelines, and some 6,500 megawatts of power generation capability.

Like the other two stocks on this list, TC Energy shares have been weak lately. The primary reason is the company's Keystone XL pipeline expansion through Nebraska. Although it has been given the go-ahead to continue, the case is being held up in courts and by protesters. Presidential candidate Joe Biden has also said he'll revoke approval if he's elected in November.

This weakness has pushed up the [dividend yield](#) to an impressive 5.4%. Investors should also remember that this dividend king has increased its payout for 20 consecutive years. Combine that with its history of paying dividends and it's obvious TC Energy is one of the best dividend stocks in Canada.

The bottom line on these dividend kings

I firmly believe the bedrock of every good dividend portfolio should start with dividend kings like TC Energy, Canadian Utilities, and Royal Bank. Sleep well at night knowing your cash is in safe hands.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TRP (Tc Energy)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:RY (Royal Bank of Canada)
5. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2020/05/22

Author

nelsonpsmith

default watermark

default watermark