



## RRSP Investors: How to Buy the Best Dividend Stocks

### Description

Retirement stocks are meant to be reassuring. But choosing stocks that one can comfortably forget about isn't always an easy task. As pundit Jim Cramer would say, "Don't act on your emotions, and don't go against your homework." Of course, this mantra, while useful, relies on two things: one, that investors can emotionally detach from their assets; and two, that investors have actually done their homework.

But it's not always that simple. For instance, take the low-risk forever investor with an RRSP packed with dependable dividend stocks such as **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). This type of later-years investment vehicle represents a large part of what constitutes a comfortable retirement. And that's something that a lot of shareholders will find themselves invested in in more ways than one.

However, so long as a prospective stakeholder in a company has done their due diligence, those forever stocks should be fairly safe, or, at least, as safe as a basketful of equities can ever be during times of economic crisis. That's why Canadian investors need to peek under the hood of every company they plan to go long on. Doing so will allow investors to sleep a little easier at night.

### Do your homework and know what you're holding

An overall health score can be achieved by looking at a handful of characteristics. Would-be Fortis shareholders should consider the company's balance sheet, its track record, and its outlook. They should also look into a company's dividend. Another key facet of a [solid buy-and-hold stock](#) is its value for money. Within each of these categories, investors will find a number of sub-factors to weigh up.

Fortis scores high on two fronts: dividends and track record. However, its balance sheet could be a little healthier, and its valuation could be a touch more appealing. Utilities stocks tend to operate in a saturated market, though, so the outlook is less of an issue with this asset type. However, earnings are still set to be positive for the foreseeable future, which tips the overall balance in Fortis's favour.

## Buy stocks that reliably outperform the market

Consumer staples stocks are always a good play for all-weather investing. Utilities have also proven stubbornly defensive. Gold never goes out of fashion during times of uncertainty, and some names are still undervalued. Investors should also consider other strongly diversified business types, such as infrastructure stocks. Supply chains have become must-have assets to buy and hold during the pandemic.

Another way to gauge which [dividend stocks](#) are the best ones to buy and hold for the long term is to go back and consider the market itself. Income investors should peruse the TSX and see which names are up from last year. Despite the bullishness and the headline blur, there aren't many names that have seen strong returns in the last year. A higher number have managed to remain flat, though. This resilience to market uncertainty is key to building a sleep-easy portfolio.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

### PARTNER-FEEDS

1. Business Insider
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