



Passive Income: 3 Stocks That Have Raised Dividends for Over 25 Years

Description

It's always good to have some top dividend-paying stocks in your portfolio. Regular dividends supplement your passive income. Meanwhile, a fundamentally strong dividend-paying company would consistently increase it, thus boosting your overall returns in the long run.

While multiple companies listed on the TSX have consistently increased their dividends, we'll focus on three top stocks that have raised them for 25 years or more. These Dividend Aristocrats have the potential to continue to increase dividends further over the next several years.

Canadian Utilities

- Current market price: \$31.32
- Quarterly dividend: \$0.435 per share
- Dividend yield: 5.6%
- Growth history: increased dividends for 48 years in a row

Canadian Utilities ([TSX:CU](#)) has the longest record of annual dividend increases by any publicly listed Canadian company. Notably, Canadian Utilities could soon be the first company listed on the TSX to become a Dividend King (companies that have raised dividends for 50 years or more).

The company generates about 95% of its earnings from the regulated utility assets, which support its dividend payouts. Meanwhile, the Canadian Utilities's continued investments in the regulated utility assets and long-term contracted business expand its high-quality earnings base, help the company to generate resilient cash flows, and drive its higher dividend payments.

Notably, the company's rate base growth across the utilities and cost efficiencies are likely to support its future dividend payouts. Investors looking for a [growing passive-income](#) stream should consider buying Canadian Utilities stock right now.

Fortis

- Current market price: \$53.26
- Quarterly dividend: \$0.505 per share
- Dividend yield: 3.8%
- Growth history: increased dividends for 47 years in a row

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is another TSX-listed stock that has consistently raised its dividends for a very long period. The company's 99% of the earnings come from the regulated assets, implying that its dividends are very safe. Moreover, a strong rate base growth drives its dividend payments.

Notably, the company projects its rate base to increase at a CAGR (compound annual growth rate) of 6% through 2025. Moreover, it projects its dividend to grow at a rate that is in line with its rate base growth during the same period. What it means is that a \$10,000 investment in Fortis stock could fetch you dividend income of approximately \$380/year at the current levels. Meanwhile, the dollar dividend amount will increase by a CAGR of 6% through 2025.

Its low-risk business and high-quality earnings base make Fortis a must-have stock in your passive-income portfolio.

Enbridge

- Current market price: \$42.18
- Quarterly dividend: \$0.835 per share
- Dividend yield: 7.9%
- Growth History: increased dividends for 26 years in a row

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is one of the [most valuable stocks](#) for investors seeking a passive-income stream that could continue to grow with them. The energy infrastructure giant recently announced a 3% hike in its annual dividends, reflecting the strength of its core business and cash flows.

I believe the positive vaccine data and economic reopening could drive Enbridge's mainline volumes and boost its cash flows in 2021. Sustained momentum in its renewable power, gas transmission, and gas distribution and storage business and cost-reduction measures should drive its distributable cash flows and, in turn, its dividend payouts.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)

2. NYSE:FTS (Fortis Inc.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/08/22

Date Created

2020/12/18

Author

snahata

default watermark

default watermark