



## RRSP Investors: 4 Great Canadian Dividend Stocks to Own for Decades

### Description

Self-directed RRSP investors want to own the best Canadian stocks to build a significant retirement portfolio.

### How to use dividend stocks to create RRSP wealth

A popular and proven RRSP investing strategy involves owning [top dividend stocks](#) and using the distributions to buy more shares. This kicks off a powerful compounding process that can turn small initial investment into significant savings over the course of two or three decades.

The **TSX Index** is home to many great dividend stocks that have delivered impressive returns for years and continue to be attractive picks for RRSP investors.

### Royal Bank of Canada

**Royal Bank** ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest financial institution by market capitalization and one of the top 15 in the world. It is also one of the most profitable banks with fiscal [Q4 2020](#) return on equity (ROE) of 16% and full-year 2020 ROE of 14.2%. That's impressive in the current economic environment.

Royal Bank enjoys the size and the financial firepower needed to make strategic investments to drive growth. It also has the resources to make the necessary investments in digital banking to ensure it remains a leader as the industry changes.

Royal Bank's dividend provides a 4% yield.

A \$10,000 RRSP investment in Royal Bank 25 years ago would be worth \$320,000 today with the dividends reinvested.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock appears oversold right now. This gives RRSP investors a chance to buy one of Canada's top dividend stocks at an attractive [discount](#).

Enbridge is a leader in the North American energy infrastructure industry. The oil pipelines move 25% of the oil produced in Canada and the United States. Falling fuel demand hit throughput last year, but Enbridge also owns natural gas transmission, storage, and distribution assets. These provide reliable regulated cash flow. The growing renewable energy division, which includes wind, solar, and geothermal assets, will be a larger part of the mix in the coming years.

Enbridge raised the dividend in each of the past 25 years. The company says distributable cash flow will grow 5-7% per year over the long term to support ongoing dividend hikes. The current dividend provides a yield of 7.9%.

A \$10,000 investment in Enbridge 25 years ago would be worth \$275,000 today with the dividends reinvested, so buying the stock on dips can deliver big rewards.

## Saputo

**Saputo** ([TSX:SAP](#)) is a fantastic Canadian growth story. The family began the business in 1954 by delivering cheese on a bicycle. Today, Saputo is a global powerhouse in the dairy industry with 17,000 employees and 65 plants. The firm continues to make strategic acquisitions around the world to drive growth.

Saputo went public in 1997. A \$10,000 RRSP investment in Saputo stock is now worth \$200,000 today with the dividends reinvested.

## Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) is a leader in the Canadian communications industry. The wireline and wireless network infrastructure provides subscribers with world-class mobile, TV, and internet services. Telus avoided the temptation to spend billions of dollars on media asset, but it saw another opportunity in the health sector.

Telus Health provides digital solutions to doctors, hospitals, and insurance companies. The division is Canada's largest player in the industry. The pandemic put Telus Health in the spotlight and the group has the potential to drive impressive revenue growth in the coming years.

Telus raises the dividend every year and the current payout provides a yield of 4.7%.

A \$10,000 investment in Telus 25 years ago would be worth \$100,000 today with the dividends reinvested.

## The bottom line for RRSP investors

Royal Bank, Enbridge, Saputo, and Telus are all great Canadian companies with leadership positions in their industries. If you are searching for top stocks to put in your RRSP in 2021, these names deserve to be on your radar.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TU (TELUS)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RY (Royal Bank of Canada)
5. TSX:SAP (Saputo Inc.)
6. TSX:T (TELUS)

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