



3 Dividend Stocks That Will Pay You for Decades

Description

Dividend stocks aren't necessarily divided among risky high-yield stocks and safe low-yield stock, but that's quite common. Established Dividend Aristocrats that keep growing their dividends *and* have a decent capital growth track record attract a lot of investor attention.

This improves market valuation. As the stock price goes up, the yield tends to go down because no matter how generously aristocrats increase dividends every year, it's nearly impossible to keep the yield up when the stock price is moving up at a faster rate.

But consistency for yield is a smart trade-off, especially when you are thinking long term. A dividend stock that can sustain or grow its modest payouts for decades might return more in the long run compared to a stock that slashes its dividends every time the market gets rough. Let's take a look at three Dividend Aristocrats that are likely to keep paying for decades.

Energy

The energy sector has been suffering lately, and only got worse during the pandemic when the demand for oil declined drastically. One positive outcome of this suffering has been generous yields from long-standing aristocrats like **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)). [The company](#) has been raising its dividends for 19 consecutive years, and is currently offering a juicy 5.5% yield.

It's an independent energy producer with a well-diversified asset portfolio, including natural gas, light, and crude oil, synthetic oil, and bitumen. The company is a heavyweight in the sector, and its safety also lies in its geographically diversified operations. Though most of the company's operational sites are located in North America, it has a considerable presence in the North Sea and Africa as well.

The company is likely to sustain (and hopefully grow) its yield for decades.

Utilities

ATCO ([TSX:ACO.X](#)) is one of the oldest Dividend Aristocrats in the country and has grown its payouts for 26 consecutive years. Its products include integrated energy, infrastructure, housing, and transportation solutions. It has operations and has served clients in over 100 countries. It also owns and operates its own electric power lines (87,000 kilometres) and natural gas pipelines (64,500 kilometres).

While it doesn't have a dominant position in the industry, its diversified product/service portfolio and global reach make it a safe bet for decades. The 4.79% yield is decent enough and can help you create a dividend-based income that might sustain for decades.

Telecom

Telus ([TSX:T](#))([NYSE:TU](#)) is one of the three largest [telecom companies](#) in the country and the second oldest aristocrat in the sector, with a dividend growth streak of 16 years. As a dominant player in the industry, Telus' successful streak and revenues can continue if it can just hold on to its current consumer-base and keep growing it at a steady rate.

While its 4.84% is reason enough to consider this dividend aristocrat, it also offers better capital growth potential than two other stocks on this list. Its 10-year compound annual growth rate (CAGR) is 13.6% when adjusted for dividends, and if it can keep growing at this rate, it can grow your nest egg in this company to a decent size.

Foolish takeaway

While Dividend Aristocrats can pay you for decades and help you create a very dependable passive income stream, you don't have to create it right away (if your current income is sufficient). You can reinvest your dividends in these companies, so when it's time to take your dividends out, your income stream would have grown significantly thicker.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:TU (TELUS)
3. TSX:ACO.X (ATCO Ltd.)
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