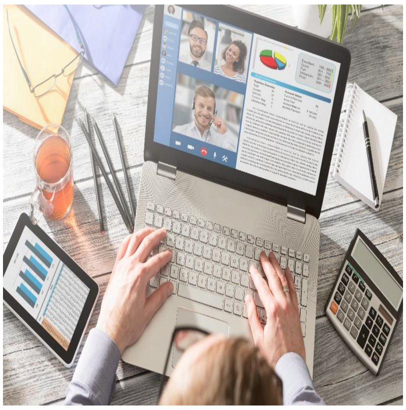

3 Dividend Aristocrats To Buy and Hold for 30 Years

Description

When you are planning your finances, it's prudent to split them into two parts: short-term financial plans and long-term financial plans, especially when it comes to investments. Both would require you to invest in different assets.

For long-term holdings, Dividend Aristocrats are usually a safe bet, and even if you stick to this limited asset pool, you can have your pick of attractive yields and decent capital growth. But you'd also want to consider the long-term prospects of the company.

Three Dividend Aristocrats should be on your radar if you are looking for companies you can stick with for three decades.

A banking aristocrat

While it's not counted among the original five titans of the banking industry, the **National Bank of Canada** (TSX:NA) might be just as safe a bet. In the last five years, its growth rate has been higher than the big five, and it also comes with a decent 3.94% yield. Its 10-year CAGR is 12.17% (dividend-adjusted), and if we take that as a benchmark, just $5,000 in this bank can grow up to $156,000 in three decades.

The bank has a decent national foot-print, but in the future, what would really count is the online banking front. Since it doesn't have as many physical branches as the other banks do, National bank might find it easier to step into a digital future. If it can retain its current consumers and keep gaining new business at a steady pace, it might be able to continue its streak as an Aristocrat and hopefully keep growing at its current pace.

A green utility aristocrat

Algonquin (TSX:AQN)(NYSE:AQN) is a regulated utility and renewable energy company that focuses on hydroelectric, wind, natural gas, and solar energy for its energy generation. It has been growing its dividends for nine consecutive years, and since the energy and utility business is shifting to renewable quite swiftly, Algonquin is well positioned to keep growing (and increasing its dividends every year).

The current yield is 3.76%, which is adequate enough, but an even better reason to invest in the company is its growth potential. Its 10-year CAGR is a powerful 21.37%. While that might seem too good to be true, but if the company keeps growing at this rate, you can (theoretically) turn $5,000 into over a million dollars in 30 years.

A financial aristocrat

Another company that you might want to bet on long-term is **goeasy** (TSX:GSY). It's an alternative lender that furnishes small personal loans. The company recently joined the ranks of the Dividend Aristocrats, but if its stock keeps going the way it's going, it can serve as a powerful growth agent for your portfolio. It has a 10-year CAGR of 30.5%, which might be too good to last, but even half this rate would be enough for adequate growth.

It's also quite generous with its dividend growth rate, so even if the yield is low right now (1.9%), a higher payout growth rate would be beneficial in the long-run.

Foolish takeaway

Identifying long-term investment assets alone isn't enough. You also have to figure out where you want to place them. A good strategy would be to put steadily growing assets in your RRSP and rapidly growing holdings in the TFSA. This way, if you need to liquidate some of your assets, you'd have a decent amount accumulated handy and tax free.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:NA (National Bank of Canada)

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