3 Hold-Forever Dividend Stocks to Bring in $110/Month in Passive Income

Description

Young or old, rich or poor, we all love passive income. If you can simply make a purchase and see returns come in again and again like a paycheque, who would say no? However, if you want to buy those dividend stocks and never worry again, you need to look for a particular kind: Dividend Aristocrats.

These stocks have provided increases in dividends every year for the last 25 years or more. So, if you plan on creating a passive-income stream to hold forever from dividend stocks, this is exactly where you need to look.

CIBC

A great place to start your search is with bank stocks. Canada's Big Six banks are an ideal place to go, as these companies have been around for about 100 years, and most are Dividend Aristocrats. That includes **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM).

While the bank may be the most Canadian of the Big Six banks, it has plenty of room to grow. In fact, it currently is aiming towards 25% of its revenue to come from the United States. But the bank has hit its stride after rebounding from the last financial crisis. It now has a steady cash flow that will support its massive 5.15% dividend yield, the highest of the Big Six.

Shares in the stock are up 9% and 128% in the last decade for a compound annual growth rate (CAGR) of 8.6%. Its raised its dividend in that time at a CAGR of 5.3%. If you had bought $10,000 in CIBC a decade ago, it would be worth $44,770.04 today with dividends reinvested.

Pembina Pipeline

There aren't too many pipeline companies set up to do well in the near and long term, but **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) is one of them. This company has a number of growth projects already underway. While it'll have to jump through some environmental hoops to get there, there could be a surge in revenue that brings a boost to share price.

And a surge is coming regardless. The company's dividend is supported by decades of long-term contracts to keep cash flow coming. And while the world is moving to green energy, this company will likely be needed for decades before there is a complete shift. So, its 7.1% dividend yield is totally safe.

Shares are down 25% so far in the last year but 171% in the last decade for a CAGR of 10.5%. Its raised the dividend in that time by a CAGR of 4.23%. If you had bought $10,000 in Pembina a decade ago, it would be worth $60,948.42 today.

Alimentation Couche-Tard

Finally, one of the best companies you can pick up at a steal of a price right now is **Alimentation Couche-Tard** (TSX:ATD.B). The company owns thousands of retail convenience stores around the world. Never mind the thousands it owns in Canada through its Circle K and Esso locations. Its now even entered Norway and Asia!

Whether you mean to or not, you'll very likely use this company's locations now and in the future. While the pandemic put a dent in revenue, it won't last long. This company has a safe and secure dividend yield of 0.9% that will continue to grow for decades, and returns to outpace market growth.

Shares are down 14% for the last year but up 860% in the last decade for a CAGR of 25%. It's raised the dividend in that time by a CAGR of 22%! If you had bought $10,000 in Alimentation Couche-Tard a decade ago, it would be worth $186,119.82 today!

Bottom line

If you had bought all of these shares and reinvested returns a decade ago, spending $10,000 each, you would have a total of $291,838.28 today! But even if you didn't do that. If you invested $10,000 into each stock today, you would bring in $110 in passive income from these dividend stocks each and every month for an annual total of $1,321.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:PPL (Pembina Pipeline Corporation)

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Date
2025/08/26
Date Created
2021/02/14
Author
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