



2 Top Dividend Stocks in Canada to Buy and Hold Forever

Description

Are you looking to build a portfolio that can help you generate significant passive income? Canadian dividend stocks are excellent assets that you can buy and hold in your Tax-Free Savings Account (TFSA) to generate tax-free, passive income to grow your wealth.

If you can find the right dividend stocks, you could unlock the potential to create a growing, tax-free passive-income stream that you can use to supplement your active income. You can also consider reinvesting your dividends to boost your passive-income stream through the power of compounding.

I will discuss two such dividend stocks that you could consider adding to your portfolio and [holding onto them forever](#).

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a company that holds a diversified portfolio of regulated utilities and renewable energy assets throughout North America. Algonquin Power & Utilities has been actively investing in various renewable energy production assets, including solar, wind, and hydroelectric power installations.

As renewable energy becomes increasingly important, companies like Algonquin are well positioned to capitalize on the surging demand. Algonquin Power & Utilities is trading for an 8% discount from its valuation at the start of 2021. There has been a general trend of decline for renewable energy stocks, making Algonquin an attractive buy on the dip.

The stock is trading for \$18.97 per share at writing, and it sports a juicy 4.37% dividend yield that you can lock into your portfolio right now.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is another reliable dividend stock that could be worth adding to your

TFSA portfolio. A company that generates almost its entire income through contracted and rate-regulated assets, Fortis could be an effective asset to fortify your portfolio. The company's income is predictable, allowing the management to fund its dividend payouts and expansion plans comfortably.

Fortis is also a Canadian Dividend Aristocrat with almost 50 years of consecutive dividend growth under its belt. It means that Fortis does more than pay its shareholders reliable and consistent dividends. The company increases how much it pays its investors each year, making it an even more attractive asset to consider adding to your portfolio.

Fortis is trading for \$55.52 per share at writing. The stock is paying dividends to its shareholders each quarter at a juicy 3.64% dividend yield at its current valuation.

Foolish takeaway

The TFSA is an excellent investment tool for Canadians to help them achieve various short- and long-term financial goals. Creating a portfolio of [income-generating assets](#) that can keep lining your account balance with more cash each year is becoming an increasingly popular utility for the account type.

If you are considering using your TFSA contribution room to create a passive-income stream that can keep growing your wealth for the long run, investing in dividend stocks like Fortis and Algonquin Power & Utilities could be an excellent way to begin building such a portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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2. NYSE:FTS (Fortis Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:FTS (Fortis Inc.)

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