



2 Top Dividend Aristocrats to Hold Forever

Description

When investors want to add [dividend companies](#) to their portfolios, the first place they often look is the latest list of Dividend Aristocrat companies. Wise investors will note that it's much more difficult to earn the Dividend Aristocrat title by American standards. In the United States, companies need to raise dividends for at least 25 consecutive years to be considered an Aristocrat. In Canada, companies only need to raise dividends for five consecutive years to earn the title.

Does that mean Canadian dividend companies are inferior? No, it doesn't. One reason for the lower requirement in Canada is due to our having less companies than the States. In fact, there are many outstanding dividend companies that trade on the **TSX**. In this article, I'll discuss two top Dividend Aristocrats that you should hold forever.

This company has been paying dividends for the past five decades

If you look at a chart for any of the major North American indices, you'll note that there have been several market downturns over the past five decades. During times of economic uncertainty, it's difficult for companies to continue paying dividends, because they'll want to keep a larger cash reserve for themselves just in case things start to look sketchy. Therefore, a company that's shown an ability to continue paying dividends, despite having to endure those economic downturns over the past five years, should be noted.

One company that has managed to do just that is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). A major reason it's been able to withstand so many periods of economic uncertainty is because of the nature of its business. Fortis provides regulated gas and electric utilities to 3.4 million customers in Canada, the United States, and the Caribbean. Since 1972, Fortis has been able to raise its dividend. That represents an active [dividend-growth streak](#) of 47 years!

Fortis's recession-proof business and history of smart capital allocation should give Canadians confidence that the company can continue this run in the future.

The backbone of Canada

There are currently only 11 TSX-listed companies that can claim active dividend-growth streaks of at least 25 years. **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is one of those companies, just making the cut at 25 years. Founded in 1919, Canadian National and the Canadian railway system was monumental in the development of the country. In fact, just as the railway system served as the backbone of Canada during its early years, Canadian National can serve as the backbone of your portfolio.

A true Dividend Aristocrat, Canadian National has attracted many notable investors over the years. Perhaps, none more notable than Bill Gates. Through his Cascade Investment and Bill and Melinda Gates Foundation portfolios, Bill Gates owns about 16% of Canadian National. That makes him the largest shareholder in the company. The railway system allows goods and materials to be transported across this vast country. With no new viable methods of long-distance transport in sight, the industry should still have legs behind it.

Foolish takeaway

Companies only need to increase dividends for five consecutive years to be named a Canadian Dividend Aristocrat. However, it doesn't mean the quality of the dividend stocks present in this country are inferior. In fact, if you look in the right places, you'll see that there are outstanding dividend stocks listed on the TSX. Fortis and Canadian National are two top Dividend Aristocrats that you should consider holding forever.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)

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