



## Passive Income: 2 Dividend Stocks to Buy and Hold Forever

### Description

Many people who are new to investing think of the high-growth assets on the stock market that have provided outsized shareholder returns in a short time. As the **S&P/TSX Composite Index** continues to reach new all-time highs towards the end of the year, it might not be wise to focus your investment capital on possibly overvalued equity securities.

If you're looking to create lasting long-term wealth, investing in income-generating assets like reliable Canadian [dividend stocks](#) can be a far better approach for you to consider.

Investors who do not mind practicing a little patience with their investment portfolios know that allocating their funds to assets that can provide them with long-term wealth growth is the best way to become a wealthier investor instead of focusing on high-growth but high-risk investments.

Today, I will discuss two dividend stocks that you can [buy and hold forever](#) in your portfolio for this purpose and generate significant passive income.

## Shaw Communications

**Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of the biggest telecom companies in Canada. The company provides subscription-based services to its customers that include wireless, internet, and TV services. The company generates stable revenues, and it can use the funds to comfortably finance its shareholder dividends.

The company's wireless segment is much smaller than that of its peers. However, Shaw might be acquired by **Rogers Communications** in a blockbuster \$26 billion deal in 2022 if all regulatory hurdles can be cleared. It will be interesting to see how this impacts Shaw's ability to perhaps scale up and take advantage of Roger's existing infrastructure.

Shaw Communications stock is the only telecom stock that offers monthly shareholder dividends. At writing, the stock is trading for \$36.96 per share, and it boasts a juicy 3.21% dividend yield. TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) is another excellent dividend stock to buy and hold for the long haul. As renewable energy continues to grow in importance worldwide, the growing demand to phase out traditional fossil fuel utilities will fuel significant growth for diversified renewable energy companies like TransAlta Renewables.

The growing company in a burgeoning sector boasts a portfolio of renewable power-generation facilities in Canada, the U.S., and Australia. Its portfolio consists of wind, solar, and hydroelectric power-generation facilities. Most of these facilities come with power-purchase agreements of at least 10 years, making TransAlta Renewables stock an ideal long-term asset for any kind of investor portfolio.

It means that TransAlta Renewables stock boasts excellent defensive capabilities along with significant upside potential. At writing, the stock is trading for \$19.77 per share, and it boasts a juicy 4.75% dividend yield protected by solid cash flows.

## Foolish takeaway

While high-risk and high-reward investments can [provide rapid wealth growth](#) to investors who are fortunate enough to invest in them at the right time, these assets can just as easily cause you to lose a significant amount of your capital. True wealth growth is steady, stable, and reliable. Creating a lasting fortune comes from finding the right high-quality assets that can provide you with long-term wealth growth without too much risk to your capital.

No investment is without risk. However, the two dividend stocks above offer a significant defensive appeal due to the nature of the businesses. You can buy and hold Shaw Communications stock and TransAlta Renewables stock and let them grow in your portfolio for substantial long-term wealth growth with relatively lower risk to your capital.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:RNW (TransAlta Renewables)
3. TSX:SJR.B (Shaw Communications)

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