



2 Buy-and-Hold Forever Dividend Stocks

Description

The Tax-Free Savings Account (TFSA) has been a blessing for Canadian investors since its introduction. [TFSA investing](#) allows savvy Canadian investors to capitalize on the tax-sheltered status on the account to earn tax-free passive income with the right investments. Since any contributions to your TFSA are made using after-tax dollars, the Canada Revenue Agency (CRA) does not treat your income in the account as part of your taxable income.

Including high-quality dividend stocks in your TFSA portfolio is an excellent way for you to build your wealth and achieve financial freedom in the long run. High-quality dividend-paying stocks offer reliable payouts that you can reinvest to buy more shares and unlock the power of compounding to accelerate your [tax-free wealth growth](#).

Today, I will discuss two stocks that you should have on your radar if you are looking for long-term buy-and-hold dividend stocks for your TFSA.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is one of Canada's Big Six banks. You can never go wrong with investing in major Canadian financial institutions if you're looking for long-term buy-and-hold dividend stocks. The highly regulated banking sector in the country boasts several names that are popular among Canadians with long investment horizons.

Scotiabank is my top choice among the banks, even though it does not boast the largest market capitalization among its peers. However, unlike its peers, Scotiabank boasts the most substantial upside potential due to its growing presence in Pacific Alliance countries.

The Pacific Alliance includes growing economies like Chile, Mexico, Peru, and Columbia. Economists forecast that these countries will exhibit growth more rapidly than G7 countries in the coming years due to the rising middle class. At writing, the stock is trading for \$78.59 per share and boasts a juicy 4.58% dividend yield. Between its reliable dividend income and upside potential, Scotiabank stock could be ideal for your portfolio.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a no-brainer for your investment portfolio if you are looking for a reliable dividend stock that you can buy and hold for a long time to accumulate significant wealth. The company is a Canadian Dividend Aristocrat with a 47-year dividend growth streak that shows no sign of letting up any time soon.

Fortis has managed to fund dividend hikes through various economically challenging environments, which makes it an ideal dividend stock to consider.

The main reason Fortis has managed to sustain such an impressive dividend growth streak is its defensive business model. The company owns and operates several utility businesses providing gas and electric utilities to customers across Canada, the U.S., and the Caribbean. Its services are necessary regardless of the economic conditions of any country, making its revenues virtually guaranteed.

At writing, the stock is trading for \$57.76 per share and boasts a juicy 3.50% dividend yield. With the company's management planning to expand its rate base through its capital investment plan, Fortis stock looks well-positioned to continue comfortably, providing its shareholders with increasing payouts for the next few years.

Foolish takeaway

The TFSA is a versatile, flexible, and incredibly useful investment tool for Canadian investors to help them achieve a wide range of financial goals. Suppose you're looking to accumulate significant and [long-term wealth growth](#). In that case, using the contribution room to buy and hold dividend stocks like Scotiabank stock and Fortis stock will be ideal for helping you achieve financial freedom on your own terms.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)

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