



3 Dividend Stocks You Should Keep for Decades

Description

Long-term investors buy dividend stocks for extra income in the present or active income in the future. Canadians have [foundations](#) like the Canada Pension Plan (CPP) and Old Age Security (OAS) when they retire. Both pensions are guaranteed income for life, but they're not enough to give you the quality of life you desire in retirement.

The remedy to fill the income gap is to invest in [dividend-paying companies](#) that can fund 20, 30, or more years of retirement. On the **TSX**, you can buy and accumulate shares of the **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), and **Canadian Utilities** ([TSX:CU](#)) and keep them for decades.

Esteemed Big Bank

Income investors revere BMO because Canada's fourth-largest bank is the dividend pioneer. The \$64.45 billion financial institution started paying dividends in 1829. Its 192-year dividend track record far exceeds the 82.66 years current life expectancy in Canada.

While the dividend yield of 3.23% isn't the highest in the market, the quarterly payouts are [rock-steady](#). Also, BMO's payout ratio is only 39.55%. The dividend could even rise if the bank deploys its excess cash and pegs the payout ratio at 45%.

Management can't make a move yet because the Office of the Superintendent of Financial Institutions (OSFI) hasn't lifted restrictions on dividend hikes. BMO can afford to reward shareholders with higher dividends, given its \$6.2 billion excess CET1 capital. At \$100.99 per share, the bank stock's year-to-date gain is 36.7%.

Generous telco giant

BCE is as renowned as BMO regarding dividend track records. Canada's most dominant telecommunications company started paying dividends in 1881. Its 140-year dividend track record is

longer than the age of the oldest man on record. As per the Guinness World Record, the titleholder is 112 years old Emilio Flores Márquez from the Caribbean Island of Puerto Rico.

This \$57.5 billion telco giant pays a generous 5.41% dividend. Assuming you invest \$100,000 today and do not touch the principal, your money will grow to \$286,837.72 in 20 years. In a 30-year investment window, the capital will swell to \$485,796.52. BCE is on track to deliver \$2.9 billion in net income in 2021. The share price is \$63.49 (+21.7% year to date).

Growing dividends

Canadian Utilities is the perfect complement to BMO or BCE. The utility stock boasts the longest dividend growth streak. This \$9.17 billion company with a globally diversified portfolio of utility assets has raised its dividends for 49 consecutive years.

At the current share price of \$34.06 (+13.8% year to date), the dividend offer is a lucrative 5.14%. Don't expect much on capital gains, although market analysts forecast a modest 9.2% climb in the next 12 months. The dividend payouts are sustainable, given the stable cash flows from regulated sources (95% of earnings).

Management was successful in improving the company's earnings quality. The primary focus is operational efficiency while growing its utility and energy-related infrastructure assets. A \$3.5 billion capital plan investment plan (2020-2022) is in place. It should increase CU's rate base, generate more cash flows, and support dividend growth.

Enjoy retirement life to the fullest

Investing in dividend stocks like BMO, BCE, and Canadian Utilities should lessen the risk of outliving your retirement savings. Your CPP and OAS can cover the basic needs. The endless income streams from these top-notch assets will enable you to enjoy retirement life to the fullest.

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2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:CU (Canadian Utilities Limited)

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