2 Dividend Stocks to Buy and Hold for Decades

Description

[Dividend investing](#) is one of the best methods for Canadian stock market investors to enjoy significant long-term returns on their investments. The right dividend stocks on the **TSX** are a gift that keeps on giving. High-quality Canadian Dividend Aristocrats are gifts that keep on giving more to their investors with each passing year.

A popular method to build long-term wealth for your retirement is to buy and hold shares of Canadian Dividend Aristocrats and reinvest the shareholder dividends through a dividend-reinvestment plan to unlock the power of compounding to enact a snowball effect.

Provided that you buy shares of [reliable dividend-paying companies](#), compounded growth could offer you the opportunity to become a much wealthier investor in a matter of decades by making your money work for you.

Today, I will discuss two Canadian dividend stocks that you can buy and hold for decades for this purpose.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is one of the top Canadian Dividend Aristocrats that you can consider adding to your portfolio for decades. The $26.55 billion market capitalization utility holdings company has hiked its shareholder dividends for 47 consecutive years. The company has increased its shareholder dividends through various periods of economic uncertainty, and it shows no sign of slowing down its rising payouts.

Fortis owns several utility businesses operating in Canada, the U.S., and the Caribbean to provide over 3.4 million customers with natural gas and electric utility services. The company relies on its highly rate-regulated assets to generate most of its revenues, effectively giving it the ability to create predictable cash flows. The company's management can use its stable revenues to comfortably fund its rising shareholder dividends.

The stock is trading for $56.34 per share at writing, and it boasts a juicy 3.80% dividend yield that could keep growing your account balance for decades with virtually guaranteed returns.

Canadian National Railway

Canadian National Railway (TSX:CNR)(NYSE:CNI) is another Canadian Dividend Aristocrat that boasts a significant dividend-growth streak trading on the TSX. The Canadian railway company is a unique industry operator on the continent, because it is the only company with a railway network extensive enough to connect the Pacific, Atlantic, and Gulf coasts in North America.

With such a strong competitive edge in the industry, CN Railway is a formidable industry player that attempted to strengthen its position further by acquiring **Kansas City Southern** railway. Unfortunately for the company, regulatory concerns resulted in the deal being scrapped.

The failed takeover attempt was not entirely in vain, as CN Railway walked away with US$700 million through net break fees. Investors could be looking at a substantial dividend hike owing to the extra liquidity for the company.

The stock is trading for $153 per share at writing, and it boasts a meager but respectable 1.61% dividend yield.

Foolish takeaway

Fortis stock and Canadian National Railway stock could be ideal stocks to consider adding to your portfolio as foundations for a long-term retirement fund. You can buy and hold the shares for decades to generate accelerated wealth growth through compounding. By the time you retire, you can begin collecting the dividend payouts, which will be significant by that time, as passive income that you can use as an additional revenue stream for your retirement.

CATEGORY

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