



2 High-Yield Dividend Stocks to Buy and Hold Forever

Description

[Dividend investing](#) with the right stocks can be one of the best ways for you to create a lucrative passive income stream. The TSX boasts several high-quality, publicly-traded companies that have shared profits with their investors through dividend payouts. The stock market also features TSX stocks that offer high dividend yields that offer far better returns than fixed-income assets.

However, not all high-yield dividend stocks are the same. Some companies have a history of increasing shareholder dividends and sustaining their payouts. Others distribute dividends at high yields, but do not generate enough cash flow to maintain payouts. Choosing the right [high-yield dividend stocks](#) is crucial if you want to use dividend investing to create a reliable income stream.

Today, I will discuss two such TSX stocks that could be a part of your portfolio for this purpose.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a \$58.79 billion market capitalization energy infrastructure company headquartered in Calgary. TC Energy boasts a network of pipelines transporting natural gas and other fossil fuels throughout Canada, the U.S., and Mexico. TC Energy stock boasts a history of providing its shareholders with consistent dividend hikes. The company has increased its payouts to shareholders at an annualized rate of 9.5% since 2015.

At writing, TC Energy stock is trading for \$60.29 per share, and boasts a juicy 5.77% dividend yield. The company's revenues do not depend on commodity prices as much as the revenues of most of its energy sectors peers do, allowing the company to fund its rising shareholder dividends comfortably.

Enbridge

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is a \$98.58 billion market capitalization, multinational pipeline company also headquartered in Calgary. It is one of the biggest pipeline operators in Canada. The company has grown significantly over the years through strategically acquiring other pipeline

companies and integrating them into its network.

Enbridge stock is a reliable dividend-paying stock that has increased its shareholder dividends by an annualized 10% since 2017.

At writing, Enbridge stock is trading for \$48.66 per share, and boasts a juicy 7.07% dividend yield. Such a high dividend yield should typically cause concerns because most companies do not generate enough cash flow to sustain such a high yield. However, Enbridge boasts a wide enough economic moat to support its rising shareholder dividends.

Foolish takeaway

The right approach to dividend investing could unlock the potential to generate significant wealth growth in the long run. Buying and holding shares of dividend stocks will line your account balance with additional cash through the payouts.

You could withdraw the additional cash to supplement your active income. But, there is a better way to use the shareholder dividends you earn in your account by using a [Tax-Free Savings Account](#) (TFSA). Choosing to reinvest the dividends through a dividend reinvestment plan in your TFSA could help you unlock the power of compounding and generate even greater and tax-free passive income to accelerate your wealth growth.

Using this approach could help you become a far wealthier investor in the long run with a relatively small initial investment.

CATEGORY

1. Energy Stocks
2. Investing

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2. NYSE:TRP (Tc Energy)
3. TSX:ENB (Enbridge Inc.)
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