



2022 RRSP Deadline: 2 Top Dividend Stock to Buy Now and Hold for 20 Years

Description

Canadian savers are putting together a list of top TSX dividend stocks to buy ahead of the 2022 RRSP deadline on March 1. This is the last day investors can make [RRSP](#) contributions to reduce their 2021 income.

TD Bank

TD ([TSX:TD](#))([NYSE:TD](#)) is Canada's second-largest bank by [market capitalization](#). Investors are primarily familiar with TD's Canadian retail banking operations, but the company is also a major player in the United States. In fact, TD has more branches south of the border than it does at home.

The American business gives investors good exposure to economic expansion in the U.S. through a top Canadian company.

TD reported strong fiscal 2021 results, and 2022 should be another solid year. The Canadian housing market remains robust, provisions for credit losses due to the pandemic should continue to reverse, and higher interest rates could provide a nice boost to net interest margins.

TD raised the dividend by 13% for the start of 2022. Another generous increase could be on the way by the end of the year, and TD is buying back stock. Investors might also see an acquisition occur in the next couple of years, as TD looks to deploy the large cash hoard it built up to ride out the pandemic. The stock has had a nice run in the past few months, but more gains should be on the way.

The new dividend provides a yield of 3.6%.

A 10,000 investment in TD stock 20 years ago would be worth nearly \$100,000 today with the dividends reinvested.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a Canadian utility company with \$57 billion in assets located in Canada, the United States, and the Caribbean.

The company has a great track record of driving growth through a combination of strategic acquisitions and development projects. Fortis hasn't done a big deal for several years, but the hiring in 2021 of a merger and acquisition specialist to the executive ranks might mean the company is on the hunt for a new purchase.

Fortis also has \$20 billion in capital projects on the go that will raise the rate base by an average of 6% per year through 2026. This will boost cash flow to support planned dividend hikes in the same range. The company is evaluating other projects that could get added to the capital program and would likely boost the size of the dividend increases.

Fortis has raised its payout for 48 consecutive years. Investors who buy Fortis stock now can get a 3.5% yield.

Long-term investors have done well with this stock. A \$10,000 investment in Fortis 20 years ago would be worth about \$105,000 today with the dividends reinvested.

The bottom line on top dividend stocks to buy before the 2022 RRSP deadline

TD and Fortis are two of Canada's top dividend-growth stocks that have provided buy-and-hold investors with attractive total returns over the past two decades. If you have some cash to put to work in your RRSP before the 2022 deadline on March 1, these stocks deserve to be on your radar.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
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