RRSP Investors: 3 Dividend Stocks You Can Hold for Decades

Description

Back in 2019, I'd discussed why it was so important for Canadians to utilize their Registered Retirement Savings Plan (RRSP) in the present day. Defined-benefit pension plans (DBPP) may be virtually extinct in the private sector by the end of this decade. That means that it will be entirely up to employees to secure their retirement bag. A recent survey from **Bank of Montreal** showed that just 64% of respondents knew the difference between an RRSP and a Tax-Free Savings Account (TFSA). Today, I want to look at three dividend stocks you can trust for the long haul in your RRSP. Let's dive in.

Why RRSP investors can trust this utility for the long haul

Emera (TSX:EMA) is a Halifax-based company that is engaged in the generation, transmission, and distribution of electricity to various customers. Shares of this dividend stock climbed 22% in 2021. The stock has dropped 3.2% so far in 2022. RRSP investors can depend on utility stocks like Emera due to its wide economic moat.

Investors can expect to see the company's fourth-quarter and full-year 2021 earnings on February 14, 2022. In Q3 2021, Emera delivered adjusted earnings per share (EPS) growth of 1% to $0.68. Meanwhile, adjusted EPS in the year-to-date period increased 12% year over year to $2.17. Emera benefited from the stronger Canadian dollar in the first nine months of fiscal 2021.

This dividend stock last had a price-to-earnings (P/E) ratio 33. That puts Emera in favourable value territory relative to its industry peers. Better yet, it offers a quarterly dividend of $0.662 per share. This represents a solid 4.3% yield.

This dividend stock offers strong income and a promising future

TransAlta Renewables (TSX:RNW) is a Calgary-based company that develops, owns, and operates renewable power-generation facilities. The renewable energy space exceeded expectations in the previous decade and is on track for another promising stretch in the 2020s. That makes TransAlta and its peers a great target for RRSP investors. This dividend stock climbed 47% in 2021. The stock has dropped 8.8% so far this year.

In Q3 2021, the company saw comparable EBITDA rise $6 million year over year to $102 million. Meanwhile, revenues were reported at $114 million — up from $95 million in the previous year. In the year-to-date period, revenues increased to $332 million compared to $308 million in the first nine months of 2020.

Shares of this dividend stock possess a P/E ratio of 30. That puts TransAlta in attractive value territory compared to its top competitors. It offers a monthly dividend of $0.078 per share, representing a strong 5.5% yield. That means you can gobble up monthly income in your RRSP going forward.

Here's another dividend stock to add to your RRSP today

Hydro One (TSX:H) is the largest electricity transmission and distribution company in Ontario, Canada's most populous province. That makes this dividend stock a very dependable hold for the long term. Shares of Hydro One climbed 18% in 2021. However, the stock has dropped 3% to start the New Year.

This company has delivered dividend growth annually since its debut on the TSX. In the first nine months of 2021, Hydro One reported adjusted net income of $806 million, or $1.34 per diluted share — up from $742 million, or $1.24 per diluted share, in the year-to-date period in 2020. This dividend stock possesses a favourable P/E ratio of 19. Better yet, it offers a quarterly dividend of $0.266 per share. That represents a 3.3% yield.

CATEGORY

1. Dividend Stocks
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