



## New Investors: 3 Dividend Stocks to Buy and Hold Forever

### Description

One top benefit of owning [dividend stocks](#) is that investors get to earn periodic income without having to lift a finger. It's especially reassuring to earn passive income from dividend stocks that have a solid track record of stable, growing earnings and dividends.

Here are three dividend stocks that are worthy of buying and holding forever — particularly if you bought them at good valuations. They're perfect for investors who are just [starting investing](#).

### Fortis stock

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stock is a top stock for investors seeking to sleep well at night. Fortis provides regulated electric and natural gas utility services that are needed in good and bad economies. Therefore, it's an essential business.

As a regulated utility, it has reported very stable and steadily increasing earnings over the long term. Consequently, Fortis stock has one of the longest streaks of dividend increases among **TSX** stocks. Specifically, the dividend stock has raised its payout for 48 consecutive years.

Although now is not the best time to buy the stock, it provides a decent yield of 3.6% that makes it worthy of holding for passive income. Fortis stock's 10-year dividend-growth rate is 5.9%. Over the next few years, it should be able to increase its dividend by about 5-6% per year.

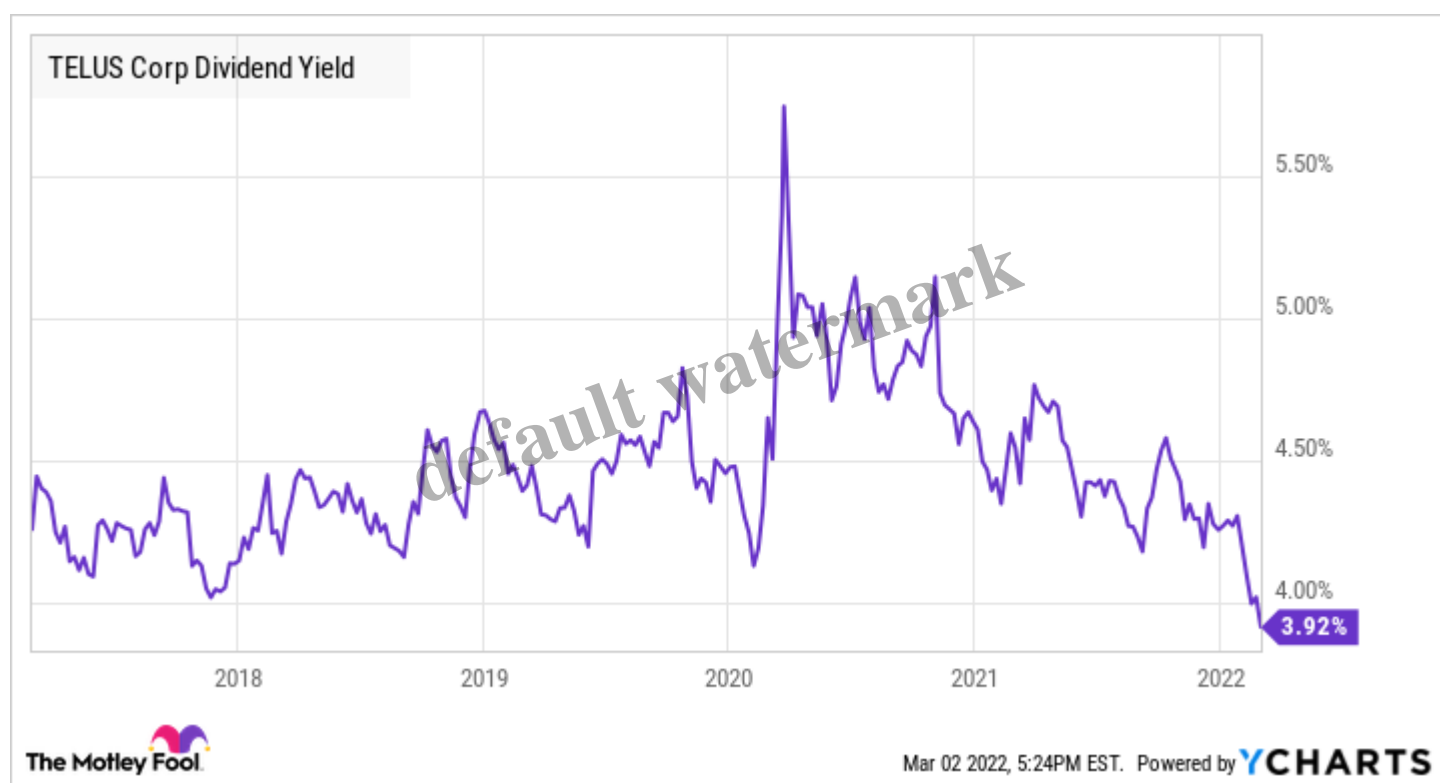
To get better value for your new money, aim to buy the defensive dividend stock at a yield of at least 4%.

### TELUS stock

**TELUS** ([TSX:T](#))([NYSE:TU](#)) is another popular sleep-well-at-night dividend stock. Like Fortis, TELUS generates stable earnings and cash flow over the long run. As one of the Big Three Canadian telecoms, it provides internet and mobile phone plans that are sticky.

TELUS is a top dividend stock with a respectable dividend-growth streak of 18 consecutive years. Its five-year dividend-growth rate is 6.7%.

The dividend stock has done very well over the last year by rising 25%. It's still a good hold for a solid dividend yield of 4%. Aim to buy on dips to get better value and boost your initial yield and total returns potential. A 4.5% yield looks like a good target, which suggests a maximum buy price of \$29.06 based on its current payout.



T Dividend Yield data by YCharts

## TD Bank stock

Other than Fortis and TELUS, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) stock also makes an excellent core holding in a long-term dividend portfolio. The big Canadian bank stock has paid many decades of dividends. Its 10-year dividend-growth rate is 9.2%.

In normal years, TD stock shouldn't have a problem increasing its dividend by about 7%. However, during recessions or highly uncertain economic times, as a safety precaution, the regulator will prevent TD stock (and other federally regulated financial institutions) from increasing their dividends.

TD stock dipped recently due to [a \\$13.4 billion acquisition](#). But the bank stock still appears to be fully valued. So, it remains a good hold for passive income. At the recent quotation of over \$101 per share, it offers a nice yield of 3.5%. For new money, though, I would wait for a better entry point — perhaps

during a market correction.

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## TICKERS GLOBAL

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TU (TELUS)
4. TSX:FTS (Fortis Inc.)
5. TSX:T (TELUS)
6. TSX:TD (The Toronto-Dominion Bank)

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