



3 High-Yield Dividend Stocks to Hold Onto for Life

Description

When it comes to high-yield dividend stocks, there are only a handful that deserve that title by default or are almost always high-yield stocks. One prominent example is **Enbridge**. Many such stocks only offer a strong yield during a market crash or dip because of the sector or their internal problems. These are the stocks that are not high-yield for long, and you should consider buying them as soon as possible to lock in the high yield.

However, neither type is inherently suitable as a long-term holding, and if you are looking for high-yield dividend stocks that you can keep for life, you have to be more discerning with your selection.

A utility stock

Canadian Utilities ([TSX:CU](#)) has the distinction of being the oldest dividend aristocrat in the country, and by growing its payouts for 50 consecutive years, it has now become a dividend king by the more stringent U.S. definition. This stellar dividend history is enough to endorse it as a life-long dividend holding. Still, the stable nature of its business (utilities) also offers a compelling reason, even if it might not be considered “high yield” per se.

However, the 5% yield is quite powerful enough, especially when you know that the payouts will increase year after year, and you will easily be able to outpace inflation. However, you may have to compromise on the capital appreciation potential, which, considering the stock’s performance in the last decade, is almost non-existent.

An energy stock

Another stock relatively closer to Canadian Utilities on the yield ladder is **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). This [pipeline company](#) primarily focuses on transporting natural gas, though it has a decent oil transportation business segment as well. The natural gas orientation, which is the cleaner one of the two fossil fuels, makes it a better long-term choice.

The dividend yield of 5.3% is modestly high enough, and since the company is also a dividend aristocrat, you can expect your dividends to grow at a decent pace. The company offers decent long-term growth potential (10-year CAGR of 9.4%), which may accumulate into a nice sum if you hold on to the company for long enough.

A generous REIT

Even though few REITs regularly raise their dividends, few other market segments can compete with them when it comes to high yield. And one amazing [high-yield REIT](#) would be **Inovalis REIT** ([TSX:INO.UN](#)). The REIT managed to sustain its payouts through the economically harsh pandemic environment, and the payout ratio didn't enter the dangerous territory.

Its entirely European portfolio (France and Germany) also offers it protection against local market problems, and the positioning/location of its properties offers it unique stability. The REIT is currently offering a yield of 8.4%, making it one of the top high-yield dividend stocks in the country right now. It's also quite undervalued right now, making it an impressive buy.

Foolish takeaway

These high-yield [dividend stocks](#) can be held for decades in your RRSPs and TFSA. The two aristocrats will keep on growing their payouts, so from a passive income perspective, it's a great way to counter inflation. Inovalis offers a high enough yield to pay back the capital invested in it in less than 13 years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:INO.UN (Inovalis Real Estate Investment Trust)
4. TSX:TRP (TC Energy Corporation)

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