3 Canadian Dividend Stocks to Buy and Hold Forever

Description

There's never a bad time to start building an additional stream of income. Especially with volatility peaking right now, a dependable stream of passive income could go a long way for investors.

Fortunately, for Canadians, there's no shortage of high-quality dividend stocks to choose from on the TSX. Whether you're looking for a dependable payout or a top yield, or even market-beating growth potential, there's a dividend stock for you.

For both new and seasoned passive-income investors, here are three top buys in today's volatile market.

Dividend stock #1: Sun Life

Sun Life (TSX:SLF)(NYSE:SLF) isn't the flashiest company to invest in, but there's nothing wrong with boring when it comes to investing, especially with dividend stocks.

The $40 billion company is the second-largest insurance provider in Canada, with a prominent market position in the U.S., too. But it's the company's presence in Asia that I'd argue is the strongest long-term growth opportunity for Sun Life.

From a passive-income point of view, Sun Life's nearly 4% dividend yield ranks it near the top among Canadian dividend stocks. It's not the highest yield, but when you factor in the dependability and the international exposure, there's a lot to like about this dividend stock, which is also very reasonably priced today.

Dividend stock #2: Telus

Next up is another high-yielding dividend stock with a couple of long-term growth opportunities that investors won't want to sleep on.

Telus (TSX:T)(NYSE:TU) is one of the three major telecommunications providers in the country. The telecommunications industry may not exude growth, but that may be about to change in the coming decade.

The expansion of 5G technology is still largely in its early days. The eventual shift from 4G to 5G technology could substantially increase our dependence on telecommunication services, driving demand way up for companies like Telus.

In addition to that, Telus has quietly been expanding its presence in the growing virtual health space.

Growth potential aside, Telus also pays a top dividend, which yields just shy of 4% at today's stock price.

Dividend stock #3: Northland Power

Northland Power (TSX:NPI) may not pay a 4% yield but I'd argue that long-term shareholders could bank on many more years of market-beating growth.

At today's stock price, Northland Power's annual dividend of $1.20 yields just under 3%. There are plenty of dividend stocks on the TSX yielding upwards of that. But there certainly aren't many that can match the company's impressive track record of market-beating growth.

Excluding dividends, shares of Northland Power are up a market-beating 65% over the past five years. Over the past decade, the dividend stock has just about doubled the returns of the **S&P/TSX Composite Index**.

Foolish bottom line

There's a lot more to look at with dividend stocks than the dividend itself. As we can see from this list, a dividend-paying company could provide a portfolio with diversification or growth potential.

If a top yield is all you're after, these three dividend stocks might not be the right choices for you. But for investors looking to build a well-balanced, passive-income portfolio, this is a perfect place to start.

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2. TSX:NPI (Northland Power Inc.)
3. TSX:SLF (Sun Life Financial Inc.)

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