



Top Canadian Dividend Stocks to Buy and Hold for the Long Term

Description

Dividend stocks are attractive investments for regular income. Moreover, as dividend-paying companies have a stable earnings base, they generate steady growth over the long term. While the TSX has several dividend-paying stocks, only a few have consistently paid dividends for more than four decades.

Against this background, let's look at a few high-quality income stocks that have paid dividends for more than 40 years. Further, these companies have a solid earnings base and the potential to continue to enhance shareholders' returns in the coming years.

Top bank stocks to rely on

Top Canadian banking stocks are famous for paying and growing their dividends. Within the banking space, **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) has a rich history of paying dividends. For context, this financial services giant has been paying dividend for 193 years, which is the highest by any Canadian company. Moreover, it has been consistently growing its dividend, making it a solid investment for income investors.

Its diversified revenue base, ability to drive loans and deposits, rising interest rates, and strong credit quality will likely support its future payouts. Moreover, its focus on improving efficiency could continue to cushion its profit margins.

Along with Bank of Montreal, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is another stock with a stellar track record of paying and growing dividends. For instance, Toronto-Dominion Bank has paid a dividend for 164 years.

What's more, this banking giant has grown its dividend at a CAGR of 11% in the last 27 years, which is the highest growth rate among its peers.

Its solid revenue base, high-quality asset base, strong credit performance, operating leverage, and robust balance sheet position it well to consistently grow its earnings and dividend payments.

Energy stocks worth investing in

Like the banks, [energy stocks](#) have also been paying and growing dividends for a very long period. Among the top dividend-paying dividend stocks, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stands out for regularly paying and increasing its dividend.

It's worth noting that Enbridge has been paying a dividend for more than six-and-a-half decades. Furthermore, it increased the dividend at a CAGR of 10% since 1995. Its diverse cash flow streams and long-term contractual arrangements underpinned by cost-of-service and take-or-pay framework support its dividend payments.

Furthermore, strong energy demand, high asset utilization rate, and inflation-protected revenues are positives. Looking ahead, its strong secured capital program, recovery in mainline volumes, opportunities in the renewables business, and productivity savings will drive its distributable cash flows and dividend payouts.

Besides Enbridge, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a must-have stock for investors to generate steady income for decades. It has been paying and growing dividends for 48 years, which supports my bullish outlook. Further, its low-risk, regulated business and growing rate base indicate that Fortis could continue to increase its future dividend payments.

Fortis expects its dividend to grow at a CAGR of 6% through 2025, supported by continued expansion of its rate base. Notably, Fortis expects its rate base to expand by about \$10 billion in the next five years. Further, the expansion of renewables capacity and focus on opportunistic acquisitions will likely support Fortis's growth and augur well for future payouts.

Bottom line

These Canadian companies have a solid track record of dividend payments. Moreover, their resilient and diversified earnings base suggests that one can earn a reliable dividend income for decades by investing in these stocks.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BMO (Bank of Montreal)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:TD (The Toronto-Dominion Bank)
5. TSX:BMO (Bank Of Montreal)

6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
8. TSX:TD (The Toronto-Dominion Bank)

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