3 Dividend Aristocrat Stocks to Buy and Hold Forever

Description

Dividend safety is the primary concern of income investors, including retirees, as fears of a recession heightens entering the third quarter of 2022. People who have extra money they won't need anytime soon can earn passive income through dividend stocks.

Canadians are fortunate, because the TSX has dividend-paying companies with outstanding dividend-growth streaks. **Canadian Utilities** (TSX:CU), **TC Energy** (TSX:TRP)(NYSE:TRP), and **Finning International** (TSX:FTT) are Dividend Aristocrats you can buy and hold forever.

Even beginner investors can earn regular passive-income streams from the companies. Moreover, the dividend stocks have been raising payouts for 20 or more consecutive years.

First Dividend King

Canadian Utilities is the first and only Dividend King on the TSX so far. The $10.23 billion diversified multinational energy infrastructure company earned the distinction when it raised its dividend for the 50th straight year in 2021. The current share price is $37.88, while the dividend yield is 4.83%. Notably, investors are up 5.75% year to date.

An uninterrupted dividend payment for half a century is a mean feat. Canadian Utilities has kept up with the payouts, despite the economic downturns within the stretch. In Q1 2022, adjusted earnings increased 14.7% to $219 million versus Q1 2021.

Don't expect much from price appreciation, as utility stocks seldom spike. However, the dividends from Canadian Utilities should be rock steady amid the increased uncertainty. The company derives revenue from regulated utility and energy assets, and, therefore, the stock maintains its resilience during inflationary periods or geopolitical turmoil.

Strong tailwinds

TC Energy, Canada's second-largest midstream company, is the cream of the crop for its 21-year dividend-growth streak (7% annual average). The $67.11 billion operates a vast natural gas pipeline network (93,300 kilometres) that transmits about 25% of North America's natural gas requirements.

The elevated oil prices are tailwinds for the energy stock. At $68.28 per share, TC Energy outperforms the TSX year to date at +17.52% versus -9.26%. The dividend yield is a generous 5.27%. A $20,000 position would produce $263.50 passive income every quarter.

TC Energy reported solid results in Q1 2022. Its president and CEO François Poirier said, "Our diversified and opportunity-rich portfolio of essential energy infrastructure assets continued to deliver strong results and reliably meet North America's growing demand for energy.

The net income for the quarter reached $358 million compared to the $1.05 billion net loss in Q1 2021. Growth is likewise on the horizon, as management advances its $25 billion secured capital program throughout the decade.

Top equipment firm

Finning International underperforms year to date (-12.78%), but the current share price of $27.44 is a good entry point. Based on market analysts' forecasts, the industrial stock has a return potential of 65.2% (average) in 12 months. If you invest today, the dividend offer is 3.2%.

This $4.28 billion company is a global dealer and distributor of **Caterpillar** products globally. The dividend stock is also an excellent equipment play, given its 20 consecutive years of dividend increases. Scott Thomson, Finning's president and CEO, said the market outlook remains positive because of strong commodity prices.

Stay invested

Dividend Aristocrats with outstanding payout histories and attractive dividend yields should give new and old investors the confidence to stay invested in 2022 for recurring income streams.

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2. TSX:CU (Canadian Utilities Limited)
3. TSX:FTT (Finning International Inc.)
4. TSX:TRP (TC Energy Corporation)

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