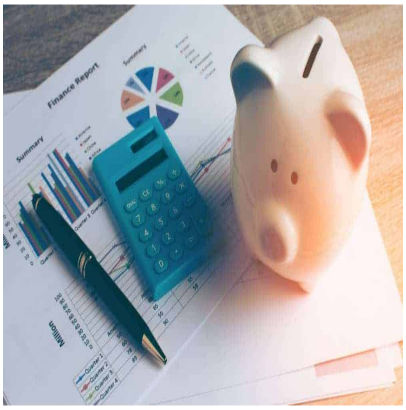

RRSP Investors: 2 Top TSX Dividend Stocks to Own for 25 Years

Description

Slow and steady wins the race when it comes to building wealth for retirement. This is particularly true when Registered Retirement Savings Plan (RRSP) investors buy top dividend stocks and use the distributions to acquire new shares through the company's dividend-reinvestment plan (DRIP).

This investing strategy harnesses the power of compounding, and, although it takes time, a small initial investment can ultimately grow to be a substantial pool of savings for the golden years.

BCE

BCE (TSX:BCE)(NYSE:BCE) is Canada's largest communications company with a current market capitalization of close to $60 billion. The business provides mobile, internet, TV, and security services to homes and businesses across the country. BCE also has a media division that is home to a TV network, specialty channels, radio stations and digital platforms. Interests in sports teams and a network of retail locations round out the assets.

BCE is investing $5 billion on capital projects in 2022 to drive future revenue and cash flow growth. These include connecting another 900,000 customers with fibre optic lines and the continued expansion of the 5G network.

BCE raised its dividend by at least 5% in each of the past 14 years. Management expects free cash flow to increase by 2-10% in 2022, so another solid payout increase should be on the way for 2023. The current dividend provides an annualized yield of 5.6%.

BCE is a good stock to buy for investors who want to own businesses that have the power to raise prices in an era of high inflation.

A $10,000 investment in BCE stock 25 years ago would be worth more than $195,000 today with the dividends reinvested.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) has a market capitalization of $115 billion. The company is a giant in the North American energy infrastructure industry with oil pipeline networks that transport 30% of the oil produced in Canada and the United States. Enbridge also owns natural gas pipelines, natural gas utilities, and renewable energy assets, including wind, solar, and geothermal facilities.

Management is focusing new investments on hydrogen facilities, carbon-capture hubs, and energy export opportunities. Enbridge recently announced a deal to buy a 30% stake in the $5.1 billion Woodfibre liquified natural gas (LNG) facility being built in British Columbia. In the United States, Enbridge spent US$3 billion last year to buy an oil export terminal.

Enbridge has a $13 billion capital program on the go that should drive revenue and cash flow growth in the next few years. The board raised the dividend in each the past 27 years. Investors who buy ENB stock today can get a 6% dividend yield.

Enbridge is a good stock to buy if you want a high-yield stock that pays a secure dividend supported by cash flow that largely comes from regulated assets.

Long-term RRSP investors have done well with ENB stock. A $10,000 investment in Enbridge 25 years ago would be worth about $245,000 today with the dividends reinvested.

The bottom line on top TSX dividend stocks to buy for a retirement fund

BCE and Enbridge are leaders in their industries and pay attractive dividends that should continue to grow every year. If you have some cash to put to work in a self-directed RRSP, these stocks deserve to be on your radar.

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2. Investing

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3. TSX:BCE (BCE Inc.)
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aswalker