



The 5 Best Stocks (Over 20 Years Dividend Payment History) for Passive Income

Description

The uncertain economic trajectory could keep the stock market volatile. However, several TSX stocks continue to pay and grow their dividends irrespective of the market conditions. This means that investors can make steady passive income wherever the stock market moves.

Against this backdrop, let's focus on five stocks that have paid uninterrupted dividends for at least 20 years. Their solid track record of dividend payments and resilient business models imply that investors can rely on them. So, if you are looking for [dividend stocks](#) that generate a worry-free passive income, here are my top five picks.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a high-quality dividend stock that has paid and increased its dividend for 22 years. Further, its dividend grew at a CAGR (compound annual growth rate) of 7% during that period. Its high-quality regulated and contracted assets generate resilient cash flows and cover its payouts.

TC Energy is confident about growing its dividend at a CAGR of 3-5% in the coming years. Further, it is yielding about 5.4% at current levels. Strong energy demand, high asset utilization rate, regulated earnings, and multi-billion-dollar secured capital projects indicate that TC Energy could continue to bolster its shareholders' wealth.

Enbridge

My next pick is also an [energy stock](#). For passive income, I am bullish on **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock, and there are solid reasons behind my optimism. Enbridge's dividend has had a CAGR of 10% since 1995. Furthermore, it has been paying a dividend for 67 years. What stands out is that Enbridge has paid and raised its dividend, even amid the pandemic, when most energy companies reduced their dividend payments.

Its diverse cash flow streams, creditworthy counterparties, strong energy demand, and inflation-protected earnings (about 80% of earnings are inflation protected) provide a solid base for dividend growth. Further, its solid asset mix (conventional and renewable) and strong capital program will likely drive its earnings and dividend payments.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a must-have stock for investors looking for a lifetime of passive income. Its low-risk utility business generates predictable cash flows and comfortably covers its payouts. It has raised dividend for 48 years. Furthermore, Fortis sees a 6% annualized growth in its dividend through 2025.

About 99% of its earnings are generated through rate-regulated utility assets, implying its payouts are well covered. Further, its rate base is projected to increase at a CAGR of 6% through 2026, which will support its earnings base and drive dividend payments.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) has paid a dividend for 193 years — the highest among all Canadian corporations. Meanwhile, this banking giant's dividend has grown at a CAGR of 4% in the past decade. Its diverse revenue stream and ability to consistently grow income support higher dividend payments.

Looking ahead, Bank of Montreal's solid balance sheet, increase in loan and deposit volume, strong asset quality, and efficiency improvement will likely drive its earnings and dividend payments. Passive income investors can earn a 4.4% yield by investing in Bank of Montreal stock.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is another top stock in the banking space worth investing in for passive income. It has been paying dividend since 1833. Meanwhile, in the last decade, its dividend increased at a CAGR of 6%.

Its exposure to the high-quality banking markets, ability to drive volumes, higher interest rates, and operating leverage will support its future earnings growth and dividend payments. Scotiabank stock also offers an attractive yield of 5.5%.

CATEGORY

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3. NYSE:ENB (Enbridge Inc.)
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6. TSX:BMO (Bank Of Montreal)
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