



## Passive Income: 2 Incredible TSX Dividend Stocks to Own Forever

### Description

One way to avoid the recent **TSX** stock [market volatility](#) is to focus on building streams of passive income. It is comforting to earn a regular tangible cash return of dividends, especially when the market is declining.

If you extend your investment horizon for years and decades, the short-term volatility really matters less. What matters most is that investors buy high-quality businesses that will generate and grow passive-income streams for years and years.

Business longevity translates into dividend longevity. Here are two incredible [dividend stocks](#) that have stood the test of time and should continue to produce reliable passive income for years to come.

### TD Bank

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has a 164-year history of paying dividends. Since its public listing in 1995, it has grown its dividend by an 11% annualized rate! Earlier this year, TD increased its quarterly dividend by 13% to \$0.89 per share. Its combined annual dividend of \$3.56 per share is now over 15 times larger than it was in 1995!

TD Bank is a premium retail bank in Canada, and it has built a substantial franchise in the eastern United States. This American growth theme has been further cemented by its recent US\$13.4 billion acquisition of **First Horizon**, a 412-branch regional bank across 12 states. Further, it added **Cowen Inc**., a diversified investment bank, for US\$1.3 billion.

This passive-income stock is down 9.4% in 2022. Yet the above acquisitions could provide several years of growth through synergies and platform expansion. Buy this stock today, and you can lock in an attractive 4% dividend yield. That is nearly 20 basis points higher than its five-year average. With a price-to-earnings ratio of 10, this stock looks like a decent [bargain](#) right now.

Park \$10,000 in TD stock today, and you would earn \$100 every quarter. Keep in mind that if history repeats itself, this stock will have plenty of opportunities to increase its quarterly passive-income

stream in the years ahead.

## Brookfield Infrastructure

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) may not have a centuries-long history like TD Bank. However, it is positioned to be a dividend stock with long-term staying power.

Since going public in 2009, this passive-income stock has grown its dividend annually by a compounded annual growth rate of 10%. Over 13 years, its current annual dividend rate of \$1.89 per share is over 2.3 times bigger than it was in 2009.

Brookfield owns and operates a diverse array of essential infrastructure assets. Its cash flows are highly contracted/regulated, and most contracts are indexed to inflation. That means when the global economy heats up, so do its earnings. However, it also has downside protection from its contracted revenue base.

Brookfield is positioning itself to be an infrastructure leader in the future. It has a growing portfolio of digital, data, and cellular assets. Its recent [deal](#) with **Intel** to help onshore semi-conductor factories in North America is a testament of this.

Today, investors can collect a 3.5% dividend yield from BIP stock. \$10,000 put into this stock would earn \$87.50 quarterly.

## The passive-income takeaway

Here are two high-quality TSX dividend stocks to [buy and hold](#) for forever. One has a long successful history of earning passive income, and one is in the early stages of a long era of growth and income ahead.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:TD (The Toronto-Dominion Bank)

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