Passive Income: 1 Unstoppable TSX Dividend Stock to Own Forever

Description

Canadian investors continue to head towards great dividend stocks when looking at the market. With the TSX down 11.5% year to date, it's clear that creating passive income that's all but guaranteed is how to ride through this economic downturn.

Still, not every dividend stock is created equal. Some end up making cuts, while others won't give you the returns you'd hope for after a downturn. So, if there's one I would consider to buy now and hold forever, it's passive-income stock **Canadian Imperial Bank of Commerce** (TSX:CM).

The history is there

One of the first things investors are likely to notice when looking at CIBC stock is that it's a dividend stock with a history of growth.

You can look at its performance over the last few decades, which has been quite stellar. Over the last 20 years, shares have climbed 620% as of writing. And remember, that's *including* the recent economic drop. If we don't include that, shares of CIBC stock were up 845% before the fall.

The reason I include this is because CIBC stock also has a history of rebounding to pre-drop prices within a year. So, a year from now, it's likely you'll see the dividend stock back where it was earlier in 2022.

The dividends are there

But, of course, the reason you're here is for dividends, and CIBC stock has proven time and again that it can continue to raise its dividend. There have no been any cuts in recent years, and, in fact, CIBC stock is a Dividend Aristocrat, with over 25 consecutive years of dividend increases.

So, if you look at the company's dividend, it's currently at 5.55%. That comes out to $3.32 per share, which, of course, was $6.64 before the recent stock split. If we look at how the dividend stock has increased the dividend in the last two decades, investors will see it's grown by a compound annual growth rate (CAGR) of 7.79% in that time!

Stability is there

All this comes together to show investors that CIBC is a dividend stock you can hold for decades. It has the stability in terms of growth in its shares and dividends. And that comes down to the company being a Big Six bank that continues to focus on passive income for its investors.

Like the other Big Six banks, it has provisions for loan losses. This allows the company to rebound quickly after a downturn and not miss a payout. But the reason I'm recommending this stock over the other banks is because of its recent growth.

CIBC stock has boosted its customer service satisfaction over the years, getting to know clients and businesses to help them reach their goals. The bank is also seeing improvements, with its recent earnings reporting it was down 4% year over year but up 9% quarter over quarter for reported net income.

Bottom line

CIBC stock is the perfect buy and hold stock right now. You can look forward to passive income during this downturn, and get it for an absurdly cheap price. It currently trades at just 8.51 times earnings, so I would snag that share price and dividend yield while it's still around.

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