



## 3 Dividend Stocks You Can Safely Hold for Decades

### Description

Retirees and other dividend investors seeking passive income and total returns can take advantage of the [market correction](#) to buy top [TSX](#) dividend stocks at [undervalued](#) prices for self-directed Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP) portfolios.

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#)) has paid a dividend every year since 1829. The board raised the payout by 25% in late 2021 and bumped it up by another 4.5% when the company reported results for the fiscal second quarter (Q2) of 2022. This would suggest the management team is confident in the revenue and profit outlook for the bank, despite the risk of a recession in 2023 or 2024.

Bank of Montreal has a strong capital position to ride out a downturn and is using excess cash to fund an acquisition in the United States. The company is buying **Bank of the West** for US\$16.3 billion in a deal that adds more than 500 branches to the existing American operations and will give Bank of Montreal a strong foothold in California.

BMO stock trades near \$125 per share at the time of writing compared to more than \$154 at the 2022 peak. The pullback appears overdone, and investors can now get a 4.4% dividend yield.

A \$10,000 investment in Bank of Montreal 25 years ago would be worth about \$105,000 today with the dividends reinvested.

### BCE

**BCE** ([TSX:BCE](#)) has been a top pick among retirees for decades and there is little reason for that to change. The communications giant enjoys a wide competitive moat and has the balance sheet strength to make the investments needed to protect its position while ensuring clients have the broadband capacity and speed they need for work and entertainment.

BCE has raised the dividend by at least 5% in each of the past 14 years. The company is on track to meet its financial targets this year with earnings per share expected to grow by 2-7%. This should support another solid dividend increase in 2023.

BCE gets most of its revenue from mobile and internet subscription services that people and businesses need regardless of the state of the economy. As such, BCE should be a good stock to buy to own during a recession.

The share price is down to \$61.50 from the 2022 high around \$74. Investors who buy BCE stock at the current level can get a 6% dividend yield.

A \$10,000 investment in BCE stock 25 years ago would be worth about \$180,000 today with the dividends reinvested.

## Fortis

**Fortis** ([TSX:FTS](#)) is a utility company with \$64 billion in assets located in Canada, the United States, and the Caribbean. The businesses include power-generation facilities, electricity transmission networks, and natural gas distribution utilities.

Revenue and cash flow tends to be predictable and reliable. Fortis gets 99% of its revenue from regulated operations. Homes and companies need to heat the building and keep the lights on in all economic conditions, so Fortis is another stock with a revenue stream that should hold up well through an economic downturn.

Fortis just increased the dividend for the 49th consecutive year. Management expects to raise the distribution by 4-6% per year through at least 2027, supported by the current \$22.3 billion capital program.

The stock appears oversold at the current share price near \$53. Fortis traded as high as \$65 earlier this year. Investors who buy at the current price can get a 4.25% yield.

## The bottom line on top dividend stocks own for decades

Bank of Montreal, BCE, and Fortis pay attractive dividends that should continue to grow. If you have some cash to put to work in a TFSA or RRSP, these stocks appear undervalued today and deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:BMO (Bank Of Montreal)

3. TSX:FTS (Fortis Inc.)

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