3 TSX Dividend Stocks That Can Provide Passive Income for Decades

Description

Many investors dream of having their portfolios pay for their everyday expenses. There are quite a few ways to build a portfolio capable of doing that, but the most common way would be to invest in dividend stocks. This is because dividend stocks have a very low barrier to entry compared to other methods of passive income (e.g., real estate).

In this article, I'll discuss three TSX dividend stocks that could provide passive income for decades.

Start with one of the big banks

The Canadian banking industry features some of the strongest dividend stocks in the country. Take **Bank of Nova Scotia** (TSX:BNS) for example. This company has been paying its shareholders a portion of its earnings in each of the past 189 years. To put that into perspective, Canada has been a country for only 155 years. That's a pretty crazy stat to think about! Considering how many bear markets and recessions have occurred since Bank of Nova Scotia started paying a dividend, it's clear that this company is a top-notch dividend payer.

What's also impressive about Bank of Nova Scotia in terms of being a dividend stock is its forward yield (6.09%). By investing in this company, you could get a good bang for your buck. That means that investors would need to invest less in order to build a sustainable source of passive income.

Invest in this top dividend-growth stock

If you've already got some bank stocks in your portfolio and would like to invest in another sector, then consider a utility stock. Those companies tend to be good pick ups for dividend investors because utility businesses rely on recurring revenue. That gives companies like **Fortis** (TSX:FTS) a very predictable source of revenue with which dividends can be extracted from.

That recurring revenue stream may be the key to Fortis's 49-year dividend-growth streak. For thosethat aren't aware, that's the second-longest active dividend-growth streak in the country. Fortis hasalready stated that it plans to continue increasing its dividend at a rate of 4-6% through to at least 2027.

This railway company should be in your portfolio

Finally, investors should consider adding **Canadian National Railway** (TSX:CNR) to their portfolios. Like the other two stocks listed in this article, Canadian National would make an excellent investment because the railway industry is very important in terms of Canada's economy. Currently, there are no viable alternatives when it comes to long-distance transportation of large amounts of goods. Until another method is developed, I believe railway companies could continue to be in high demand.

Canadian National has increased its dividend in each of the past 26 years. That makes it one of only 11 TSX-listed stocks to currently achieve that mark. Investors should also note that Canadian National's dividend has grown at a very impressive rate over that period (compound annual growth rate of 15.7%). If Canadian National can continue that strong dividend growth, investors could see their dividends stay well ahead of inflation over the long run.

CATEGORY

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2. TSX:CNR (Canadian National Railway Company)
3. TSX:FTS (Fortis Inc.)

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