



## 2 TSX Dividend Stocks to Buy and Hold Forever

### Description

Dividend income from quality stocks can endure for years and even decades if you choose wisely. Certainly, this is never easy to do. Buying a dividend stock for the [long term](#) is more than just finding a stock with a high dividend yield. In fact, often, stocks with ridiculously high yields (like over 8%) are priced so, because they have a very high level of risk.

### Don't just buy stocks with *high* dividends

If you want to own a business with a sustainable, enduring dividend, you need to be sure of a few things. Firstly, the business needs to generate a lot of cash. The only way a company can afford a dividend is to generate a lot of cash.

Secondly, look for dividend growth over a high dividend yield. Companies that regularly increase their dividends also need to be growing their earnings and cash flows. Steadily growing earnings, cash flows, and dividends are often the sign of a healthy company.

Growing earnings demonstrates that a company has good products/services, and that it is prudently managing its assets and capital. A company with declining earnings and a high dividend is a red flag.

Thirdly, look for dividend stocks with good balance sheets that can support their growth. This means not taking on too much debt and/or being conservative about how its debt is managed.

## Brookfield Infrastructure is a defensive and growing dividend stock

One dividend stock that could be worth holding for a lifetime is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)). Infrastructure is essential for the progression and betterment of society. Brookfield's portfolio of railroads, ports, utilities, pipelines, export terminals, cell towers, and data centres all serve an essential role.

90% of its revenue is contracted/regulated and 70% of its earnings are hedged to inflation. Since its inception in 2009, it has grown funds from operation (FFO) per unit (a measure of profitability for real assets) by a 16% compounded annual growth rate (CAGR). FFO per unit is expected to grow 11% for 2022.

Brookfield Infrastructure has grown its dividend rate by a 10% CAGR since 2009. In fact, its current dividend is over 230% higher than it was when it started. Brookfield sold off several assets in 2022, and today it has a lot of capital to deploy.

A recession could create some bargain acquisition opportunities. Overall, Brookfield is a defensive and growing diversified utility that still has a lot more to give. This stock earns a 4.5% dividend yield today.

## TD Bank has a *long* history of dividends

If you are looking for a business that has a history of longevity, **Toronto-Dominion Bank** ([TSX:TD](#)) has been paying dividends for 166 years. Since 1995, it has grown its dividend consecutively by an average 11% annualized rate. Its current annual \$3.56 per share dividend is up 1,518% over that 27-year time frame.

TD has a diversified banking business that spans across personal, commercial, wealth, and brokerage. It has a leading retail franchise across Canada and the eastern United States. Its U.S. expansion has been a major growth engine for years. Recently announced [acquisitions in the U.S.](#) should help fuel longer-term growth ahead.

TD may not be the fastest growing stock, but it has consistently delivered solid +10% average annual total returns for years. If you just want a simple [blue-chip stock](#) to buy and tuck away for years to come, this could be one to consider.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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