



## 5 Top Dividend Stocks to Buy With Decades of Passive-Income Potential

### Description

If you're looking for top [dividend stocks](#) to buy for decades of passive income, here are five TSX stocks that provide sustainable, growing income.

### Enbridge stock

**Enbridge** ([TSX:ENB](#)) stock has paid a dividend for more than 68 years. And it has increased its dividend at about 10% per year for about 28 consecutive years! It targets a sustainable payout ratio that's 60-70% of its distributable cash flow.

As growth has slowed, over the next few years, investors can expect slower dividend growth of about 3-5% per year. That said, the massive energy infrastructure company is still an excellent choice for current income.

At \$54.18 per share at writing, the dividend stock offers a yield of just over 6.5%. Remember that this dividend income is more favourably taxed than your job's income if you hold shares in your non-registered account.

### Bank of Nova Scotia stock

**Bank of Nova Scotia** ([TSX:BNS](#)) stock is another reliable high-yield stock for juicy income. At \$70.11 per share at writing, the big [bank stock](#) trades at a wide discount of about 27% from its long-term normal valuation. And it offers a large yield of 5.9%.

Brian Porter is on his way out as BNS's chief executive officer (CEO). Scott Thomson will step up as the new CEO on February 1. For a smooth transition, Porter will be acting as strategic advisor to Thomson for three months. The new CEO needs to prove that he can improve the bank's business performance, which would usher the stock higher. Notably, though, the bank must navigate through slowed economic growth, as we're expected to enter a recession in the first half of the year.

## TELUS stock

Speaking of a recession, **TELUS** ([TSX:T](#)) stock should remain fairly resilient in such an environment because internet and mobile phone services are pretty sticky. Population growth and TELUS's *growthier* businesses, including IT services and the TELUS Health business, are also drivers of growth.

The big Canadian telecom has demonstrated its ability to increase its dividend through economic cycles. Specifically, it has increased its dividend every year since 2004 through multiple recessionary periods, such as the global financial crisis in 2007-2008.

At \$28.48 per share, TELUS stock yields 4.9%. As well, the analyst consensus 12-month price target suggests a discount of 12.5%. The trailing 12-month (TTM) payout ratio of 57% suggests a sustainable dividend. Investors can look forward to dividend growth of 7-10% per year through 2025.

## Canadian Tire stock

**Canadian Tire** ([TSX:CTC.A](#)) stock tends to do not as well during recessions because of its product mix with a big portion coming from durable goods. That said, the Bank of Canada stated yesterday that more recently, it saw moderating prices for durable goods. So, the worst may be over for Canadian Tire.

The dividend stock has been in a downward trend since May 2021. At about \$159 per share at writing, the specialty retailer yields 4.3%. Notably, Canadian Tire stock has increased its dividend for about 12 consecutive years with a 10-year dividend-growth rate of 17.2%. Its TTM payout ratio is sustainable at under 30%.

## Brookfield Infrastructure Partners L.P.

**Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#)) is one of my favourite dividend stocks. It's a growing utility that has outperformed the market over the last decade with annualized returns of over 15% per year.

Importantly, BIP has a good chance of growing its cash distributions for multi-decades to come. Its 10-year dividend-growth rate is 9.1%. The utility owns and operates a quality, global portfolio of infrastructure assets across various industries.

Its largely regulated or contracted cash flows have organic growth. Management believes it can continue growing the cash distribution by 5-9% per year while growing its infrastructure empire.

At \$47.84 per unit at writing, the dividend stock yields 4%. This is not a bad price or yield. Any dips should be seen as an even better buying opportunity.

### CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:T (TELUS)

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