



2 Top Dividend Stocks You'll Want to Own for the Next Decade

Description

It's been a wild ride this year for anyone invested in stocks. Whether you're a value investor or a growth junkie looking for the next hottest IPO, you've likely faced an above-average level of volatility this year. Above-average may be a slight underestimation, though.

The entire Canadian market dropped a staggering 35% in just over one month earlier this year. Although the market has been on an impressive bull run over the past seven months, there is no shortage of companies that will be feeling the effects of the pandemic for years to come.

Year to date, even with a 35% drop, the **S&P/TSX Composite Index** is down just 5%. There's definitely a list of high-flying tech stocks that have crushed the Canadian market this year, but there are just as many that have completely tanked.

Why invest in dividend stocks?

There's no question that owning shares of one of the Big Five banks is nowhere near as exciting as owning **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock, especially this year. What is now Canada's largest publicly traded company has grown close to 150% this year alone, and 3,000% over the past five years. None of the major Canadian banks have come even close to that type of growth over the past five years.

High-yielding dividend stocks likely won't earn those types of returns, but they can provide much-needed stability for a portfolio during a market downturn. And with a global pandemic continuing to wreak havoc on countries across the globe, most investors could use some stability in their portfolio.

Dividend stocks can indeed provide stability for a portfolio, but they are typically owned for the income they generate. But don't let the fact that a company yielding more than 3% can nowhere near match the returns of the Canadian market.

Not only do each of the two dividend stocks that I've covered earn a yield of more than 3%, I believe that they both have a strong chance of continuing to outperform the Canadian market over the next decade.

TD Bank

The major Canadian banks have not had a great year, there's no denying that. The drop in interest rates has hurt each of the Big Five banks in the short-term, which has been reflected in the share prices. Year to date, all five of the major banks have trailed the Canadian market, and **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is no exception.

At a yield of more than 5% today, TD deserves serious consideration for any [passive income investment portfolio](#). The yield may be slightly inflated due to the share price being down close to 20% on the year, but an annual payout of \$3.16 per share is nothing to ignore. Not to mention this Dividend Aristocrat owns a streak of paying its shareholders dividends for more than 150 years.

Over the past five years, TD has struggled to outperform the Canadian market. But when taking a long-term view, TD has consistently delivered market-beating growth to its shareholders. The bank has nearly doubled the returns of the Canadian market over the past decade.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) might not earn investors a 5% dividend yield, but it can provide growth that has the potential to [crush the Canadian](#) market over the long-term.

Over the past five years, the stock has delivered growth of 150%, and 300% over the past decade. In addition to that, the stock is even up close to 50% since the beginning of the year. Who knew dividend investing could be so exciting?

A 3.3% dividend yield may seem insignificant in comparison to triple-digit growth, but if there's ever a time that you'd want to have an extra stream of passive income, it would be during a market crash.

Brookfield Renewable Partners's dividend might not be a match against TD's yield or payout streak of more than a century, but there is a very strong chance that this company will continue to deliver market-beating growth over the next decade and longer.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:TD (The Toronto-Dominion Bank)

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