



Retire Early With These 2 Dividend-Growth Stocks

Description

If you are thinking of retiring early, you have to work on a strategy that involves a lot of savings and a higher rate of return. This combination is not easy to achieve in this market, where interest rates have been at a historically low level, and commodities are in a cyclical downturn.

But if you are in for a long haul, there is another avenue you can explore to maximize your income. Investing in dividend-paying companies that regularly grow their payouts is a proven way to create a multiplier impact on your wealth.

Dividend-growth stocks not only save your investment from inflationary pressures, but they also help compound your savings more quickly.

Here are two great stocks that have demonstrated histories of outperformance and superior returns that can help you reach your retirement goals even faster.

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of the top energy infrastructure companies in Canada with an impressive dividend-payout program. It has increased its dividend payout for 17 consecutive years — a track record that's hard to match.

A leader in North American energy infrastructure, TransCanada operates natural gas and liquids pipelines, power generation, and gas storage facilities. This is the kind of business that doesn't get too affected by the price swings in energy markets. Pipeline operators usually secure their revenues on the volume they ship through long-term contracts.

This relative certainty helps TransCanada generate hefty cash flows. And that's the reason the company has been able to forecast an annual dividend-growth rate of 8-10% through 2020, as the company advances its \$24 billion near-term capital program.

Besides these near-term projects, TransCanada also has a \$48 billion pipeline of medium- to longer-term projects.

With an annual dividend yield of 3.95%, TransCanada stock pays a \$0.5-a-share quarterly dividend,

which has almost doubled in the past 13 years.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is another dividend stock that fits very nicely with your goal of achieving a stable and rising income stream to help you retire early.

Running a network of top-class utilities, which provide power and gas to customers in Canada, the U.S., and the Caribbean, Fortis generates a lot of cash, which it uses for future growth and dividends.

While announcing its five-year growth plan of \$14.5 billion on October 16, the company also announced a 6.25% hike in its quarterly dividend to \$0.425 a share, marking 44 consecutive years of dividend hikes.

With a dividend yield of 3.65% and expected future growth of ~6% CAGR, Fortis has long been a favourite stock for investors seeking stable growth in their capital

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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2. NYSE:TRP (Tc Energy)
3. TSX:FTS (Fortis Inc.)
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