Grow Your TFSA Safely With This Canadian Dividend-Growth Icon

Description

We all want to grow our TFSAs at the quickest rate possible while taking on the least amount of risk. Some of us have a higher appetite for risk, but if you're a risk-averse investor who doesn't want to speculate, it really doesn't get better than good, old-fashioned dividend-growth stocks — a terrific way to get rich safely over time.

You don't need to risk your shirt on Bitcoin or cannabis to amass a nest egg. All you need are patience and discipline. If you're like many Canadians, you just don't have enough time to constantly monitor your investments, but that doesn't mean you should surrender your assets to a "professional" money manager.

You can still do very well over the long term with a simple, yet boring index fund. But if you're like many curious Canadians who want to actively build a portfolio your own way, you can stand to reap next-level returns, even with a limited amount of time.

Why do you want to start your own portfolio?

Well, you'll have more cash left for yourself if you don't have to pay obscene fees to a money manager for one. And you can choose which businesses you want to support with your investment — an important factor for many morally conscious Canadians. But most importantly, it's fun to manage your own money, as you attempt to crush the markets, something that very few "professionals" can actually do on a consistent basis.

How can you beat the market as a DIY investor over the long term?

You don't need all the time in the world. Unless you're a professional trader, you're actually doing yourself a great disservice by being overly active with portfolio adjustments. All you need to do is buy wonderful businesses that you'd be comfortable holding for decades, then you can go about your day without having to worry about the short-term stock price fluctuations.

Consider **Canadian Tire Corporation Limited** (TSX:CTC.A), an iconic retailer that's been around for decades and will likely be around for many more. The retail environment has been experiencing turmoil of late, but Canadian Tire has been fortunate because it’s able.

The rise of technological disruptors has shares of Canadian Tire to be rocky, but the trend is still up. As management finds more ways to beef up its moat, I suspect many years of dividend growth are likely in the cards, and that will keep investors interested in the stock, even if the vast majority of them are fearful of the entire retail sector.

Shares of Canadian Tire currently yield 2.2% — substantially higher than the company’s five-year historical average yield of 1.6%. The company continues to clock in impressive numbers, and it’s still raking in the free cash — a chunk of which will go right back into the pockets of shareholders through a generous dividend increase.

With an impressive ROE near 15%, Canadian Tire is showing very few signs of wear after an industry-wide barrage from digital disruptors.

If you’re looking for a low-risk/high-reward stock to snowball your wealth over time, then look no further than Canadian Tire, a wonderful business that you can buy and forget about.

Stay hungry. Stay Foolish.

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1. TSX:CTC.A (Canadian Tire Corporation, Limited)

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