TFSA Investors: 4 Dividend-Growth Giants to Add to Your Portfolio

Description

Accumulating dividend income is a long-term play, and if you focus on stocks that just have high yields you could miss out on the opportunity to secure high-growing dividends that could turn into much bigger dividends down the road. A big benefit of a growing dividend is that you'll earn more per dollar on your original investment than you will today.

Although it's not a guarantee, companies that have consistent results and strong financials are likely to continue to raise their payouts. Below are four stocks that have done a great job of growing their dividends in recent years and that could be great additions to your portfolio.

Canadian National Railway Company (TSX:CNR)(NYSE:CNI) is a blue-chip stock that will grow with the economy, and recently it has hired extra staff just to meet demand. Although the dividend currently pays less than 2%, over time that will grow, as the company has had a good track record of increasing its payouts.

In 2013, the company's quarterly dividend payments were just $0.215. Since then, payouts have more than doubled and now pay $0.455, amounting to a compounded annual growth rate (CAGR) of over 16%. That is an incredible pace, and if Canadian National Railway could continue that rate of increase, then you would see a big impact on your dividend income in the years to come.

Suncor Energy Inc. (TSX:SU)(NYSE:SU) currently pays a higher dividend than Canadian National Railway with an already strong yield of 3.5%. With over $4 billion in profit last year, and the company looking to technology to improve efficiency (such as deploying self-driving trucks), there is still a lot of room for Suncor to grow, and that's great news for investors.

The company's dividend has been growing at an incredible pace over the past five years with payments increasing from $0.13 a quarter up to $0.36 for a CAGR of 23%. Although there is some uncertainty and risk involved when it comes to oil and gas, Suncor has proven that it can be successful under the most challenging of circumstances.

Alimentation Couche-Tard Inc. (TSX:ATD.B) pays a very small dividend of less than 1%, but this high-growth stock has set aside some cash for growing its distributions over the past several years. Quarterly payouts of $0.025 in 2013 have skyrocketed to $0.09 for an increase of 260% and a CAGR of 29%, which is highest on this list.

The company is a dominant player in the industry and has limitless potential. Couche-Tard has even looked at including marijuana in some of its stores, which would certainly help grow its top and bottom lines even further.

Canadian Tire Corporation Limited (TSX:CTC.A) currently pays its shareholders a little more than2% per year, and it has climbed over the years as well. From paying $0.35 several years ago,dividends have risen to $0.90 for an increase of nearly 160% and a CAGR of 21%.

Although retail has been hit hard by competition, and some big names have been forced to close or leave the country, Canadian Tire remains a staple that has been able to avoid much of that fate by relying on its loyal customer base for continued growth.

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:CNR (Canadian National Railway Company)
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Date
2025/07/03
Date Created
2018/03/06
Author
djagielski