



Young TFSA Investors: Fund Your Dreams With This Top Dividend-Growth Stock

Description

Have you made your \$6,000 2019 TFSA contribution yet?

Do you have a dream vacation or a dream car that you would just love to buy? You can get help saving for it today.

By investing in quality stocks that have a strong potential to give you capital gains and dividend income, and sheltering these investments from taxes within your [TFSA](#), you can accelerate the accumulation of the funds to fulfill your dream.

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)), a North American solid waste services company that provides waste collection, transfer, disposal, and recycling services, is not a name that is top of mind with investors.

I understand, as it doesn't really sound exciting at all. But I bet I can get you pretty excited about garbage. Here goes.

Explosive growth

Waste Connections stock has a strong history of [dividend growth](#) and capital appreciation, as the company continues to crank out cash flow and earnings at a healthy pace, driving home the value that this stock offers investors.

The company continues to beat expectations, raise its dividend, and send its stock soaring, with a year-to-date return of 18%.

With a 24% dividend-growth rate in 2016, a 17% dividend-growth rate in 2017, a 16% dividend-growth rate in 2018, and an almost doubling of the share price since January 2016, Waste Connections has given investors the best of two worlds: dividend income and growth, and capital appreciation.

Fragmented industry ripe for consolidation

The solid waste industry is still a very fragmented one, and Waste Connections is in a prime position to continue to be a consolidator given the company's strong cash flow generation and balance sheet.

Waste Connections is the third-largest solid waste company in North America, and with size and a clean balance sheet on its side, the company is well positioned to continue to return cash to shareholders and pursue its goal of consolidating its fragmented industry through acquisitions.

Defensive

Waste Connections stock can be classified as a reliable, stable, defensive one.

When a defensive stock that is stable and provides good visibility is generating the types of returns that Waste Connections has generated, this is a very exciting thing.

You'll get big reward without big risk.

Doesn't that sound like an investor's dream?

Final thoughts

In closing, I would just like to illustrate that if we'd invested \$5,000 in Waste Connections in the summer of 2017, this would be worth \$7,000 today. If we add dividend income that you would have received during the two years, your initial \$5,000 investment would now be worth almost \$7,100.

That's an almost \$2,100 gain in two years for a more than 40% total return — tax-free.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:WCN (Waste Connections)

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