



## Retire Early: How to Get 18% Returns Every Year

### Description

The generally accepted retirement age is in the 60s. That's when the Old Age Security and Canada Pension Plan start kicking in. If you want to retire earlier than that, then you need to save and invest more than your peers.

Assuming you want to [retire early](#) by 55, depending on if you're 25, 30, or 35, respectively, you'll have 30, 25, or 20 years to build your nest egg before retirement.

The earlier you save and invest, the faster you can get 18% returns on your investment. Here's how you can achieve that in 20 years.

### A proven dividend stock

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a proven dividend-growth stock with a high yield. The company has delivered extraordinary 10-year returns of 25% per year on the TSX as of March 31.

Moreover, BIP stock has increased its dividend for 11 consecutive years with a consistent three- and five-year dividend-growth rate of 10% and 10.4%, respectively. In Q1, it increased its dividend by 6.9%, which was roughly the midpoint of its targeted range of 5-9%.

As of writing, Brookfield Infrastructure stock offers a yield of 4.85%, which is about 2.5 times and 1.7 times, respectively, those of the Canadian and U.S. market yields. So, it's a proven winner in terms of total returns and income generation.



## A growing sector

There continues to be increasing demand for infrastructure assets globally. Brookfield Infrastructure benefits from this tremendous growth as an owner and operator of critical global infrastructure networks that facilitate the movement and storage of energy, water, freight, passengers, and data.

The company aims to generate a long-term return of 12-15% on equity and distribution growth of 5-9% per year. Based on the midpoint of the distribution-growth rate, an investment today will be sitting on a yield on cost of 18.57% in 20 years. That's a return of more than 18% per year from the dividends alone in 20 years and onward *without* having to worry about where the stock price goes!

Besides, dividend-growth stocks like BIP tend to have a long-term chart of increasing stock prices, which is supported by some sort of base yield.

## How to get an 18% return every year

In 20 years, you can get more than an 18% return (from dividends alone) on your investment from buying Brookfield Infrastructure stock today. The stock's returns largely come from its secure yield of 4.85%, 6-9% cash flow growth, and 5-9% dividend growth per year.

By buying a portfolio of diversified, quality stocks that exhibit a similar safe yield and similar growth rate as Brookfield Infrastructure, such as [Brookfield Property](#), you can retire early and enjoy great income returns from your passive investments.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
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