



## 2 Dividend Growth Stocks to Double Your Tax-Free Savings

### Description

If you're a young investor who's at least a decade away from your expected retirement date, going all-in on high-quality dividend growth stocks within your TFSA may be the best move you could make today.

Dividend growth stocks may not have the [biggest upfront yields](#) out there, but they are capable of posting significant capital gains over time, and the dividend growth, although nearly negligible over the short term, can make a world of difference over prolonged periods.

The longer you hold a dividend growth stock, the larger the yield based on your initially invested principal will grow.

Soon enough, the 1.5% yielder you bought will sport a +6% yield based on your original investment — enough passive income to support you through retirement.

The best part is that the dividend will continue growing at a rate that no other similarly yielding security can to match.

Without further ado, here are three Canadian dividend growth stocks that you should buy and hold forever within a TFSA.

### Alimentation Couche-Tard

**Alimentation Couche-Tard** (TSX:ATD.B) isn't exactly a name that folks think of when they hear "dividend growth stocks."

Couche-Tard is a growth stock that's perfected the growth-by-acquisition model, and with a large chunk of available cash flows going toward comps-driving and inorganic growth initiatives, the dividend payout isn't precisely what entices investors into the name.

The dividend yield of 0.6% is nearly negligible, but have a look under the hood and you'll see that

Couche-Tard has, in fact, been growing its dividend by leaps and bounds over the years.

The yield has been kept below 1% because shares have moved higher in price, but if you buy and hold the name for decades at a time, you won't notice the yield compression effect.

With years of dividend hikes under your belt, you'd actually see that the yield on your cost basis is surging in conjunction with the price of shares.

Couche-Tard is a cash cow that's ridiculously profitable. Although it seems like the company isn't returning capital to shareholders, the company has been growing its dividend at a much faster rate than most other **TSX**-traded names out there.

## Restaurant Brands International

**Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) is another growth stock that's also been growing its dividend at a rapid rate. The fast-food juggernaut behind Tim Hortons, Burger King, and Popeyes is extremely shareholder-conscious and is not afraid to reward its shareholders with big, unexpected dividend hikes as it balances growth initiatives.

Restaurant Brands is [a rare breed](#). The firm's capital-light business model allows it to grow cash flows at a staggering rate with minimal operating risk, effectively allowing management to make significant dividend commitments to its shareholders.

The company has a track record of more than doubling its dividend at a whim, not because it's transitioning into a lower-growth stalwart, but because it has the financial flexibility and cash flow growth that few other firms can match.

Today, the stock has an upfront dividend yield 2.7%, which is remarkably high, considering Restaurant Brands can still support high double-digit annual dividend hikes moving forward.

This leads me to believe that the stock is worth a heck of a lot more, given its free cash flow growth rate.

We've seen the yield fall about 0.5% over the past few months due to significant capital appreciation, and I think more of the same is in the cards as investors begin to better appreciate the company's long-term growth story.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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