



TFSA Wealth Builders: 1 Dividend King That Will Last for 50 Years

Description

For those of you who know what a TFSA is, you will agree with me that it is one of the best investment tools ever created. It is an account type that can help you to accumulate substantial wealth over the years, as long as you know how to make the best use of it. You can store a wide range of investment vehicles in your Tax-Free Savings Account (TFSA), which includes dividend-paying stocks.

Storing a high dividend-paying stock in your TFSA provides you with the opportunity to increase your wealth due to capital gains, and additional cash through payouts — all without having to pay taxes. On that note, what could be a better stock to consider for your TFSA than one that has a history of increasing dividends consistently?

Companies that are able to increase dividend payouts consistently for over 25 years are called Dividend Aristocrats. There are quite a few Dividend Aristocrats registered on the TSX. The companies that reach the 50-year mark of dividend increases are called Dividend Kings. While the TSX does not have any stocks that can be called Dividend Kings right now, there is one company that is well on its way there.

Canadian Utilities ([TSX:CU](#)) is a Dividend Aristocrat with a streak of 47 straight years of dividend increases. This is the closest that any Canadian stock has come to the Dividend King status. It is a stock that can help you become a wealthy investor if you store it in your TFSA.

Let us take a better look at the Canadian [dividend royalty](#) stock, and why you could consider holding it in your TFSA.

Canadian Utilities

Last year, Canadian Utilities posted profits of more than \$607 million — an all-time high for the company. These massive earnings helped CU bump up its dividends to \$1.69 per share. The 4.3% dividend yield is within an attractive range. In my opinion, Canadian Utilities stock is as good as you can expect when it comes to dividends.

The company has been consistently increasing dividend payouts since 1972, the longest streak of any company on the TSX. Over the past five years alone, CU has increased its dividend by 55%. Such a long streak of dividend increases might make you think that CU can keep it up for only so long. There is, however, plenty of reason to believe that the company could keep it up for much longer.

Canadian Utilities's strong dividend growth continues to be underpinned by a considerable \$10.8 billion market cap, extensive global customer base, and highly stable cash flow. The company's operating cash flow at the time of this writing stands at \$1.35 billion.

Foolish takeaway

Canadian Utilities is a reliable and robust company. It has a stable infrastructure and is financially secure. Also, its discipline through regulated and long-term contracted earnings has led to consistent profits. The company is trading at \$39.54 per share, with a dividend yield that has gone up to 4.3%. I think that CU could be a [great stock](#) to add to your TFSA.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2019/11/26

Author

adamothonman

default watermark