



1 High-Yield Dividend Stock Is All it Takes to Get Wealthy

Description

Are you looking to gain infinite returns on your investments? Well, you need to win a lottery for that to happen. But, if you are seeking stellar returns on your investments with more realistic prospects, the closest thing you can get to a lottery is getting an income that can last your whole life.

Canadians are well aware of the acronym RBC. **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is a trustworthy and dependable name that many investors have tried and tested to make them wealthy in the long term. If you want a clear-cut way to become a [wealthy investor](#), I think investing in Royal Bank stock could be the way to go.

Maintaining a long-term investment requires substantial capital, discipline, and patience. If you can manage that, the rewards after a long waiting time are going to be hefty.

Why Royal Bank?

When opting for stocks from one of the best-performing sectors on the TSX, going with the best company should be the only way to go. Royal Bank is number one or number two in seemingly every critical category of banking in Canada. The bank's credit card service offers extraordinary value to its shareholders. RBC's wealth management division has carved out a substantial portion for itself in the market.

The banking sector has seen a lacklustre performance this year, and yet RBC continues to be a formidable force. The slowdown in domestic operations has had its effect on business for RBC, but the financial institution has extensive international operations to mitigate the adversity. Its extensive work in the United States offers RBC exposure to high-net-worth clients. The bank is capable of posting substantial gains through its international clientele.

Uninterrupted dividends

RBC has the ideal fundamentals for being a dominant force in the TSX for decades to come. Royal

Bank has also been consistent with its dividend payouts to shareholders for [over 200 years](#). On top of consistent returns, the company's dividends have also increased steadily over the years.

At a yield of just over 4%, Royal Bank is currently paying its shareholders \$1.05 in dividends per quarter. In the past year alone, RBC raised its dividend payouts twice. The bank has also managed to retain an average payout ratio of 50% of earnings as its target. Shareholders do not need to worry about the security of the dividends, even if we go through a recession. RBC has, after all, paid dividends consistently through two of the worst periods in the global economy.

Foolish takeaway

Royal Bank has managed to deliver consistent returns to investors through the 2008-2009 financial crisis, which saw many longstanding financial institutions crumble.

Over the past two decades, shares from RBC have returned more than 13% annually, including reinvested dividends. If you use the contribution room in your TFSA to invest in RBC stock, hold it patiently, and practice long-term investment discipline, you can stand to become a very wealthy investor in the long run.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Tags

1. Editor's Choice

Date

2025/09/04

Date Created

2019/12/25

Author

adamothonman

default watermark

default watermark