



## TFSA Investors: Earn \$3,000 a Month With This Dividend-Growth Heavyweight

### Description

If you're at least a decade away from your expected retirement date, it's worthwhile to look to dividend-growth stocks that have the fundamentals to one day join the ranks of other Canadian Dividend Aristocrats. Even if a company hasn't been listed on the TSX for a decade, there are still signs that a company has what it takes to become a massive grower of dividends over the long run.

Here are some questions to ask yourself when looking for the next [prominent dividend grower](#).

Will the company's cash flows hold up during times of economic hardship and allow for dividend hikes at a time when most other firms are reducing theirs? Does the company have a predictable earnings-growth profile? Can the company's growth rate be sustained over the next two decades and beyond? Could excessive capital expenditures limit financial flexibility and get in the way of potential dividend hikes in a given year? Does management have a capital return plan? What about the company's capital structure?

That's quite a bit of homework, but it's worth it if you're looking for a stock to hold in your TFSA [for decades at a time](#). Consider **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), a fast-food kingpin (behind Burger King, Tim Hortons, and Popeyes Louisiana Chicken) that I believe checks all the boxes for a Dividend Aristocrat in the making.

### Recession-proof? Check

Restaurant Brands is in the business of selling "inferior goods," or goods that tend to sell well during times of economic hardship. When the next recession hits, consumers will be more likely to head on over to their local Burger King for the value meal deals, and many Canadians will still get their daily fix of caffeine from Tim Hortons's iconic coffee or steeped tea. In times of recession, when growth is hard to come by and finances are tight, other firms are more likely to slash their dividends than think of raising them, but not fast-food firms like Restaurant Brands, which will continue business as usual.

## Predictable long-term earnings growth? Check

The company also has a predictable earnings-growth trajectory. Restaurant Brands is poised to expand Tim Hortons and Popeyes to new markets around the globe. While the success of such expansions are still up in the air, given the power of each respective brand, the talents of the managers running the show, and the option to close up shop if things don't go well, I'm a massive fan of the risk/reward that comes with Restaurant Brands's global growth initiatives. Add the potential for same-store sales growth (Popeyes's sales growth soared 34% in its last quarter) into the equation, and you've got a reasonably predictable growth profile.

## Capital-light model? Check

With partnerships and joint ventures, Restaurant Brands doesn't need to put up a tonne of capital to pursue growth initiatives. The company owns some of the most influential brands in the industry, and that allows it to call the shots with those it partners with.

The capital-light nature of the company allows it to juggle a very generous capital return program without compromising on growth. That's the real power of owning robust brands, and you won't find it as a quantifiable asset on the balance sheet.

## Foolish takeaway

The stock currently sports a 3.2% yield, and management has been known to reward shareholders with colossal dividend hikes.

Management more than doubled its dividend in the past, and with the capacity to continue double-digit hikes, I'd say few, if any, companies can match the magnitude of dividend growth that Restaurant Brands will be capable of over the next 25 years.

Stay hungry. Stay Foolish.

### 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. Business Insider
2. Msn

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