How Super-Rich Canadians Are Growing Wealth by 15% Every Year

Description

It comes as no surprise that in 2017, around 10,840 Canadian residents have at least a net worth of US$30 million. Based on the database of American research firm Wealth X, the collective total wealth of ultra-high net worth (UHNW) Canadians rose by 15%.

As of September 2018, the number of UHNW Canadians slipped to 10,395. But with a total wealth of $1,597 billion, Canada ranks fifth overall for ultra-rich individuals. Only the U.S., Japan, China, and Germany are ahead.

Aside from better economic growth and a stronger currency, Canadians are getting rich faster because of higher investment yields. The average Canadian has equal chances of becoming filthy rich. High-yield stocks can be the drivers of wealth. If you use your investment vehicles wisely, you could be the next millionaire, too.

Build a great fortune

Great fortunes are built by holding shares of profitable companies for decades. You have the potential to change your destiny with "buy-and-hold" stocks. **Canadian National Railway** (TSX:CNR)(NYSE:CNI) and **Enbridge** (TSX:ENB)(NYSE:ENB) have delivered incredible gains to investors.

CNR might be selling at a premium today ($125.32 per share as of this writing), but you should look beyond the price. Historically, this railway operator has delivered a total return of 2,779.66% on a 20-year investment period.

A company needs to be efficient to be able to handle $250 billion worth of goods that passes across 19,500 miles of tracks year on year. In 2019, CNR posted an all-time record for fuel efficiency and expects to deliver even better results in 2020, where the main focus is on fuel costs and reduction in CO_2 emission.

CNR is now the industry leader in CO_2 emission reduction, as it consumes about 15% less fuel per gross tonne mile than the industry average in North America. The company takes pride in reducing locomotive emission intensity by 39%, or avoidance of 45 million tonnes of CO2 emissions.

If there’s one energy company that can generate very stable cash flow amid constant industry headwinds, it is Enbridge. This $115 billion Calgary-based company is the premier oil and gas midstream stock. Over the past decade, the total return is a staggering 1,654.66%, including reinvestment of dividends.

A closer review of the share price shows that Enbridge is only 1.7 times book value. Hence, the current price of $56.89 appears to be a good deal. So far this year, this energy stock is up 10.18%. Analysts are predicting another 14.25% gain in the next 12 months.

Enbridge continues to pursue organic growth with plans for multiple expansions in the near term. At present, the company is responsible for transporting roughly 25% of the crude oil of North American producers. Its 17,108 miles of crude and liquids pipeline system is the most extended and most advanced in the world.

Ever-growing earnings

The average annual total return of CNR and Enbridge over the last two decades is 18.29% and 15.40%, respectively. Both companies are capable of generating ever-growing earnings. If you invest in the stocks today, you could grow your wealth like the super-rich Canadians.

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