TFSA Investors: 2 Dividend Beasts That Will Crush This Market Crash

Description

Dividend Aristocrats are a typical part of most investment portfolios. Even those portfolios that are built with growth in mind usually have a few Aristocrats to balance things out. Some portfolios are built for passive income, or to adopt a reinvestment plan for long term growth. In any case, aristocrats offer stability and dependency, something that people are in great need of during a market crash.

Most often, people use the phrase *dividend beasts* to describe high-yielding stocks. Today I want to talk about Aristocrats that offer decent dividend growth.

A transport company

Thankfully, the country's largest railway company is faring relatively better than the largest airline. The stock of **Canada National Railway** (TSX:CNR)(NYSE:CNI) is still in recovery mode, but right now, it's just about 15% down from its yearly-high value. But that discount is incentive enough to bag this long-standing aristocrat with two decades of payout increases under its belt.

CNR has both a transport and a logistic operation. The logistic side of the company is relatively stronger, which is one of the reasons why it wasn't hit that hard by the pandemic, which has diminished travelling across the globe. The company transports about $250 billion worth of goods every year and owns and maintains over 19,500 route miles of track.

In the past five years, the company increased its payouts by 53%. At this rate, this dividend beast can double up your payouts in a decade. It's also a modest growth stock and earned about 54% capital gains to its investors in the past five years.

A software company

OpenText (TSX:OTEX)(NASDAQ:OTEX) is a software company that develops and sells enterprise management software. It's considered one of the country's largest software companies. Some of the company's core products include customer experience management — a fast-growing field, digital process automation, enterprise content management, cybersecurity solutions, and AI solutions.

The company is well poised to take advantage of the constantly changing business landscape and to facilitate the merger of business and technology. It's also a Dividend Aristocrat with a modest yield of 1.8% at the time of writing, but its dividend growth rate of 74.6% is amazing.

It's also a decent growth stock that's increased its share price by almost 86% before the crash. Currently, it's trading at $52 per share, with a 16% discount.

Foolish takeaway

These two dividend stocks have the resilient traits that can help them in the current and future market crashes without slashing their dividends. One is a major logistic operator with a huge transportation network; the other is a software company with a decent growth history and focus on fast-growing technologies.

Even if you allocate less than half of your fully stocked Tax-Free Savings Account (TFSA) of $30,000 to these two stocks, you stand a chance of becoming a millionaire in 31 years, with capital growth only. If you factor in the dividends, the growth can be even more impressive.

CATEGORY

1. Dividend Stocks
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2. NYSE:CNI (Canadian National Railway Company)
3. TSX:CNR (Canadian National Railway Company)
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