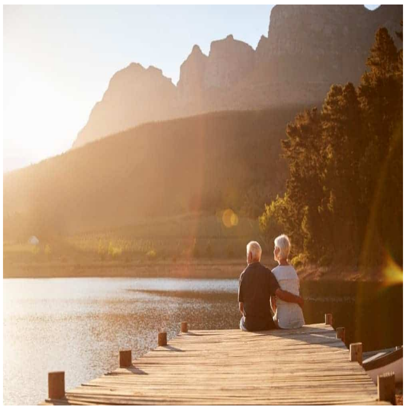

Retire Rich and Invest in These 2 Stocks Today!

Description

Want a safe way to grow your portfolio and ensure you've got a great nest egg when it's time to retire? With the two stocks listed below, you can do just that. They're top stocks on the TSX that you can hang on to for decades that pay dividends, and that can generate significant income for you for years and years. And with both of them being in different industries, you can also diversify your portfolio in the process, preventing yourself from being too exposed to one particular segment of the market.

CP Rail

Canadian Pacific Railway (TSX:CP)(NYSE:CP) is a great investment, because it'll go in the same direction of the economy. While that might mean there will be some down years, over the long term, it's a stock that's sure to rise. As the population increases and more goods need to be transported, railway operators will be busy. Despite all the innovation that's taken place over the years, transporting heavy loads is still ideal via railways, and unless there's a drastic technological change that happens, it's likely to stay that way for a while.

Over 10 years, shares of CP Rail are up 500%. That averages out to a compounded annual growth rate (CAGR) of about 19.5%. That's not a bad return, and it doesn't even include the company's dividend yet. Today, CP pays a quarterly dividend of $0.95, which yields right around 1% annually. It's a modest but sustainable payout that leaves CP a lot of room to increase its dividend payments in the future.

In each of the past 10 quarters, CP Rail's posted a profit and its margins haven't been lower than 20% during that time. With solid financials and a stable future, this is an income-generating stock that can help produce significant returns for your portfolio for many years.

BCE

BCE (TSX:BCE)(NYSE:BCE) is in the telecom industry, and it could make for a great complement to CP Rail. In an era where everyone needs to be connected to the internet, BCE is an industry leader and will see lots of demand for its services. Like CP, it'll benefit from a growing population, as it will have more business and consumers to sell its services to. And with foreign ownership rules limiting competition in the industry, BCE is in a fairly safe spot for the foreseeable future.

What makes the stock a particularly appealing buy is that it pays a much higher dividend than CP Rail does. Its quarterly payments of $0.83 currently yield 5.8% annually. On a $10,000 investment, that would earn you $580 in dividends every year versus the roughly $100 you'd earn from CP Rail.

In the past decade, BCE's returns have been a bit more modest; however, with its share price rising 74%. That averages out to a CAGR of 5.7%. But with its dividend yield, your combined returns could easily be in double digits if the stock continues to rise at a similar rate in the future.

Bottom line

Both of these stocks can be solid pillars to build your portfolio around for many years. With strong positions in their respective industries and recurring dividend payments, these are some of the better investments you can make right now if you're a long-term investor.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CP (Canadian Pacific Railway)
3. TSX:BCE (BCE Inc.)
4. TSX:CP (Canadian Pacific Railway)

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