2 Top Growth Stocks That Are Perfect for Dividend Investors

Description

Growth stocks are some of the most important investments you'll make for your portfolio. And often, especially for investors that are compounding their money rapidly, dividend growth stocks are key to this long-term success.

Not only do dividend growth stocks generally have strong business operations that allow them to return cash to shareholders while continuing to invest in growing their operations, but these stocks are so strong that in addition to a resilient dividend, the payout investors receive is growing consistently.

This is positive because it allows your passive income to grow consistently while giving you more opportunities to find new investments with all that cash you now have to reinvest.

So if you're looking for a top dividend growth stock to buy today, here are two of the best that can grow for years.

A top Canadian retail stock

One of the best dividend growth stocks on the **TSX** the last few years has been **Canadian Tire** (TSX:CTC.A).

The retail stock would have been an unlikely candidate before the pandemic. However, it's seen a strong tailwind as a result of the pandemic and all the increase in demand for household items and sporting goods that have come as a result.

Furthermore, the company's execution has been top-notch, and its e-commerce website has been a major key to the stock's impressive performance so far in the last year.

There's a reason Canadian Tire is one of the strongest brands in Canada, with some of the best customer loyalty. So if you're looking for a top dividend growth stock to own long-term, Canadian Tire is certainly a top choice.

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The dividend currently yields roughly 2.5%. More importantly, however, is that that dividend has been increased by more than 100% in just the last five years.

That's how fast Canadian Tire's profitability has been growing and how much cash flow the stock can generate.

So if you're looking for a high-quality dividend growth stock that can help you compound your money rapidly, Canadian Tire is worth consideration.

A resilient dividend growth stock

In addition to Canadian Tire, another stock for long-term investors to buy today is **Brookfield Infrastructure Partners** (TSX:BIP.UN)(NYSE:BIP).

As its name suggests, Brookfield Infrastructure owns a portfolio of infrastructure assets that are spread out across the world. Brookfield owns an exceptional portfolio of assets from telecommunications towers in India to railways in Brazil and many other assets in between, making it one of the best dividend growth stocks to buy now.

These long-life assets are highly resilient during times of economic turmoil. Furthermore, they allow the company to invest in the growth of the operations, which is key to rapidly increase the cash flow for investors.

For example, since acquiring a massive stake in one of Brazil's largest logistics operators in 2014, Brookfield has invested over $9 billion to grow the operations and expand cash flows significantly.

These projects, which are highly defensive, allow the company to continuously invest in growth, making Brookfield an excellent long-term investment.

The company's long-term goal is to grow the fund by 15% annually for investors, an impressive rate. Furthermore, it aims to grow the dividend by up to 9% annually, making it an exceptional company to buy now.

So if you're looking for a high-quality dividend growth stock, Brookfield Infrastructure is one of the best there is.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)

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