



## Make \$1,000 Per Year for Life With 1 Dividend Stock

### Description

Motley Fool investors should already be well aware of the benefits of a great dividend stock. Even if it's just a small stake, the worry of share prices suddenly disappears almost entirely. If it's a solid company, you'll continue to see share growth while also taking in steady [passive income](#) through dividends. Invest enough and you can bring in \$1,000 per year from one stock alone!

Today I'm going to look at one company I would consider to be a top dividend stock. This comes not just from current and past performance, but future opportunities as well. You need this as an investor in dividends. If Motley Fool investors want to have guaranteed passive income for life, you need to ensure those dividends can be supported. So let's look at one dividend stock that can provide that for decades to come.

### The highest dividend on the TSX today

If you're looking for the biggest dividend stock on the **TSX** today, it's the **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). Of the top 60 TSX stocks, CIBC has the highest dividend of \$5.84 per share. Now, this is *not* the highest dividend yield, so it's not exactly a steal. The yield itself is still strong at 4.11%. But that still makes it a strong buy for passive income seekers.

CIBC stock has been around for more than 100 years, paying out dividends non-stop pretty much that entire time. As a bank stock, it hasn't been a slouch either. Even during a market crash, the Big Six banks such as CIBC managed to come to pre-crash prices within a year. That includes during the pandemic. Shares are now trading near all-time highs (thanks to a recent pullback in the market), with a 13% upside predicted by analysts in the next year.

And even with all this growth, it's still a strong buy, with a P/E ratio of 10.94, and price-to-book of 1.6! And the bank is sharpening its image through a recent market campaign and logo change; this alone could drive growth in new clientele for this dividend stock.

## The numbers

Now let's look at the company's performance in both share growth and dividends to show how it will continue to grow. The proof is really in the past. CIBC has managed to stay as the third-largest Big Six bank for decades. In the last 10 years, shares have grown at a compound annual growth rate (CAGR) of 12.46%! Meanwhile, its dividend grew at a CAGR of 5.28%.

So if you're looking to make \$1,000 per year from this dividend stock, here is how it would shake out. You'd need to have 171 shares as of writing to reach that number, which comes to a total investment of \$24,453. That easily fits in a Tax-Free Savings Account. And that right there gets you \$1,000 per year starting today!

But let's say you reinvested that cash. If Motley Fool investors were to spend that \$24,453 and not add a *cent* for two decades while reinvesting your dividends, in 20 years you would have a portfolio worth \$400,725.39!

## Foolish takeaway

A dividend yield can certainly tell you whether a dividend stock is a good deal. But if you want the highest dividend, CIBC stock is the one to beat. You can bring in \$1,000 per year starting [right now](#), or reinvest. It's up to you, but it remains a strong dividend stock on the TSX today.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:CM (Canadian Imperial Bank of Commerce)
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