



1% Income Club in Canada: Here's How You Can Join

Description

Canadians enjoy an above-average quality of life. The median income of \$69,200 (after tax) of families and unattached individuals in 2019 represents a 10.1% reduction in the country's poverty rate. Also, based on the 2019 tax filings reported by Statistics Canada, the wealthiest have at least \$250,300 in [household income](#).

The data suggest that joining the 1% Income Club is achievable, not impossible, as many would think. You'd qualify to become one of the top earners if your income is equal to or more than the income threshold. In 2020, full-time employees earned an average yearly salary of about \$54,630.

People with savings purchase dividends stocks to earn [passive income](#). Suppose you do the same. Your money (principal plus investment income) can compound over time. For example, a \$143,000 investment in assets with an annual return of 5.755% will balloon to a quarter-of-a-million dollars in 10 years.

A good combo today is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **True North Commercial** ([TSX:TNT.UN](#)). Canada's second-largest bank pays a 3.42% dividend, while the real estate investment trust (REIT) offers a generous 8.09%. With the average yield of 5.755% and a \$71,500 position in each, your investment would be worth \$250,000 in a decade.

Best for long-term investors

Investors should be happy to know that North America's fifth-largest bank is again among the leading companies with sustainable performance based on environmental, social, and economic performance. It was the eighth consecutive year that TD ranked high in the Dow Jones Sustainability World (DJSI) Index in a pool of 242 global banks.

The \$167.13 billion lender isn't the highest dividend payer, but the payouts are rock steady. TD's dividend track record stretches 164 years, and the stock's total return in nearly 49 years is 40,668.27% (13.06% CAGR). Now is an excellent time to take a position while the share price is below \$100. At \$91.83 per share, current investors are up 32.71% year to date.

TD will soon present its Q4 and full-year fiscal 2021 results, which should be another stellar financial performance. The bank displayed strong revenue growth in Q3 fiscal 2021. After the first three quarters, adjusted net income reached \$10.78 billion, or 54% higher than the same period in fiscal 2020. Management might even increase its dividend following the lifting of hike restrictions early this month.

Dividend titan for yield-hungry investors

True North Commercial is a [pure dividend play](#) and very attractive to yield-hungry investors. The \$650.42 million REIT is one of the TSX's dividend titans today. Moreover, it boasts a high-quality tenant base, including the federal government of Canada.

Government (35%) and credit-rated tenants (41%) contribute 76% to the REIT's portfolio revenue. The average lease term of the 45 income-producing office properties is 4.2 years. Notably, True North's overall retention rate since commencing its leasing activities is a high of 80%. TD Insurance is one of the top 20 tenants as of September 30, 2021.

Performance-wise, the real estate stock is a steady performer, given its 23.78% year-to-date gain. The share price is only \$7.94 if you invest today to partake of the over-the-top dividend yield.

Earn your pass

Canada's wealthy people are growing in number, although the working classes are expanding much faster. More importantly, regular income earners have a crack at joining the 1% Income Club with the right moves and investment choices.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Tags

1. Editor's Choice

Date

2025/09/05

Date Created

2021/11/22

Author

cliew

default watermark

default watermark