3 Dividend Stocks That Don’t Sacrifice Growth

Description

By building a portfolio of solid dividend stocks, investors can eventually replace their primary source of income. As such, investing in dividend stocks is a great way to achieve financial independence. However, many investors are hesitant to invest in dividend stocks, because they believe that they’re sacrificing growth potential. While it’s true that growth stocks could result in much greater gains over time, there are many dividend stocks that still manage to outperform the market. Here are three dividend stocks that don’t sacrifice growth.

Stock #1: Brookfield Asset Management

A great example of a dividend stock that doesn’t sacrifice growth is **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM). Through its subsidiaries, Brookfield has exposure to the infrastructure, real estate, utility, and private equity markets. Altogether, it operates a portfolio worth more than $625 billion. This makes Brookfield one of the largest alternative asset management firms in the world. Since its IPO in August 1995, Brookfield stock has grown at a CAGR of 15%. That’s nearly three times the returns of the **TSX** over the same period.

Brookfield’s business may not be the most exciting at times; however, it does announce very intriguing news on occasion. Last year, the company reported that it had entered a partnership with **Tesla** to develop a large-scale, sustainable neighbourhood in the United States. If that project is successful, it could be a major catalyst for Brookfield stock. This stock has dipped to start the year, alongside the broader market. This is a great opportunity to enter a position in a stock that has grown more than 47% over the past year.

Stock #2: goeasy

Investors willing to put capital towards a riskier position should consider **goeasy** (TSX:GSY). The company provides high-interest loans to subprime borrowers. It also sells furniture and other durable home goods on a rent-to-own basis. Because of the nature of its business, goeasy saw a spike in revenue over the course of the pandemic.

Over the past five years, goeasy stock has gained about 535%. That represents a CAGR of nearly 45%. Despite that growth, goeasy remains a bona fide Dividend Aristocrat. The company has managed to increase its dividends in each of the past six years. Over that period, its dividend has grown more than 600%! If you're looking to build a portfolio that can provide reliable dividends and solid capital appreciation, then you should consider a position in goeasy.

Stock #3: Canadian Pacific Railway

Canadians should also consider an investment in one of the major railway companies. This is because the Canadian railway industry is dominated by a massive duopoly. In addition, there still isn't a viable alternative to transport large amounts of goods over long distances if not by rail. Therefore, the companies that lead the Canadian railway industry could remain in high demand for years to come.

Canadian Pacific Railway (TSX:CP)(NYSE:CP) is currently the smaller entity of the Canadian railway duopoly. However, that won't be the case for long. Canadian Pacific has recently finalized a deal to acquire **Kansas City Southern**, which will make the company one of the largest railway companies in North America. In fact, that deal will make Canadian Pacific the only North American railway company to operate track that stretches from Canada to the United States, and Mexico.

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2. NYSE:CP (Canadian Pacific Railway)
3. TSX:BN (Brookfield)
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