



Revealed: 1 TSX Dividend Growth Stock I'd Buy and Hold Forever

Description

Dividend growth stocks can be one of the best types of investments for young investors who want the best of both worlds. Dividends and growth are possible in one investment, with names like **CP Rail** ([TSX:CP](#))([NYSE:CP](#)), one of the best earnings growth companies that keeps raising the bar every single year on its dividends.

Dividend growth stocks to buy and hold

Although CP Rail's dividend yields aren't the highest (below the 1% mark at writing), I do think that today's investors can set themselves up pretty well in the next 10 or even 20 years from now. Every dividend raise matters. Add up the annual dividend raises, and in 10 years, you could be looking at a robust, growing passive income stream. Looking out 20 years and you could have a passive income stream that gives you a double-digit raise every single year. Indeed, it's hard to score that type of raise in the labour force.

In this piece, we'll have a closer look at one company that I believe is among the best dividend growth plays for young investors looking to build wealth over the truly long term. Think decades, rather than just years! With a recession potentially on the horizon, investors may have a shot to buy on wild swings and add a bit of jolt to their long-term retirement plans.

CP Rail stock: Bill Ackman's favourite railway looks like a buy

CP Rail just went from a small Canadian-focused railway with grain exposure to the first North American railway with access to the three largest borders. With the acquisition of Kansas City Southern, CP Rail has a network that spans the U.S., Canada, and Mexico. Indeed, it's a great way to play cross-border trade over the next decade and beyond.

Though expenses from the big deal will eat into cash flows, I think the company is incredibly well-equipped to thrive over the coming decades. It pulled the trigger on one of the biggest deals in rail history. And it's unlikely that another rail will be able to stack up, at least not from a cross-border

perspective. With Bill Ackman buying shares, marking his second helping into the firm since the Hunter Harrison days, I think there's a lot of value to be unlocked, as the KSU acquisition slowly, but surely, begins to pay big, growing dividends for investors.

Bill Ackman made big money in CP stock when he bought many years ago. He regrets selling, as the stock continued to appreciate. This time, I think the man is in it for the long haul, perhaps with a more passive stake. I believe investors should follow. Buy the stock and hold it for [decades](#). Don't take [profits](#) over the near term unless you're sure you can get back in at lower prices. It's a wonderful business that just got a whole lot more fabulous!

The bottom line for Fools

CP Rail stock may be pricey, but it looks ripe for buying if you're looking for many years or decades' worth of dividend growth and capital appreciation.

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