



Passive-Income Investors: These 3 Stocks Grow Their Dividends at a Fast Rate

Description

Investing in dividend stocks can allow you to build a source of passive income. Over time, this source of passive income could help you supplement or even replace the income you receive from your job. That would allow you to have more freedom in doing things that are more important to you. Whether that's spending time with your family, seeing the world, or whatever else it may be.

However, when investing in dividend stocks, it's important that you ensure the companies you hold have a long history of raising dividends. Even more importantly, you'd want those companies to raise their dividends at a faster rate than inflation. This would ensure that you don't lose buying power over time. In this article, I'll discuss three stocks that grow their dividends at a fast rate.

This is an underappreciated company

Alimentation Couche-Tard ([TSX:ATD](#)) may not be one of the most popular stocks among retail investors, but it should be. Alimentation Couche-Tard is a massive company, operating more than 14,000 locations around the world. In its [latest earnings report](#), Alimentation Couche-Tard reported that it served about nine million customers per day!

Alimentation Couche-Tard has increased its dividend distribution in each of the past 11 years. That makes it a Canadian Dividend Aristocrat. Looking at the past five years, Alimentation Couche-Tard's dividend has grown at a CAGR of 19.6%. That greatly outpaces the inflation rate, even in a year like 2022 when inflation has been running rampant.

One of the most impressive dividends around

If you think that dividend-growth rate is impressive, then you need to take a look at **goeasy** ([TSX:GSY](#)). For those that are unfamiliar, goeasy operates two distinct business lines. First is easyfinancial, its financial business, which provides high-interest loans to subprime borrowers. Second is easyhome, which sells furniture and other home goods on a rent-to-own basis.

Another Canadian Dividend Aristocrat, goeasy has increased its dividend in each of the past eight years. Over that period, goeasy's dividend has grown at a CAGR of 34.5%. That's likely one of the fastest-growing dividends on the **TSX**. goeasy maintains a dividend-payout ratio of 32%. That suggests that the company could continue to comfortably raise its dividend over the coming years.

Buy this Dividend Aristocrat

If you'd rather invest in a company that has more brand recognition, then consider **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). This company operates about 33,000 km of track. Its rail network spans from British Columbia to Nova Scotia and reaches as far south as Louisiana.

A true Dividend Aristocrat, Canadian National has increased its dividend for more than 25 years. That milestone also qualifies the company as a Dividend Aristocrat by American standards. Looking at its dividend, it has grown at a CAGR of 12% over the past five years. Although that's not nearly as fast as the growth of the other two dividends discussed here, it still massively outpaces the inflation rate.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:CNI (Canadian National Railway Company)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:GSY (goeasy Ltd.)

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