TFSA: 3 Buy-and-Hold Dividend Stocks With Massive Long-Term Potential

Description

The Tax-Free Savings Account (TFSA) may only have come around in 2009, but it's created massive long-term investment returns for those that use it properly. For instance, did you know that it originally came out as an alternative retirement savings account? Yet, it's grown to be so much more.

Now, you can use the TFSA for any of your long-term goals. And those goals should absolutely include dividend stocks to reach their passive income potential sooner as opposed to later. So today, I'm going to go over three dividend stocks that have the potential to reach any goal you set far sooner than you ever thought possible.

TD stock

Toronto-Dominion Bank (TSX:TD) is an incredible choice for those seeking long-term income, especially since it's a bank stock. That's because it's one of the dividend stocks that's been around since 1955. That's decades of passive income coming your way, and even more in the future.

Let's just look at the last 20 years for an example of where TD stock could be headed. In that time, shares have increased 1,002%. That's a compound annual growth rate (CAGR) of 12.7%. Furthermore, it currently offers a dividend yield of 4.2%. That dividend has grown by a CAGR of 9.4% in the last decade.

So if you were to invest $10,000, for example, and experience the same growth, within the next 10 years you could turn your TD stock shares into $47,012 as of writing!

Brookfield Renewable

While **Brookfield Renewable Partners LP** (TSX:BEP.UN) hasn't been around as long as TD stock, it's still one of the best dividend stocks for long-term potential. Plus, its parent company has been around since the 1890s! So I wouldn't take the company's inception date at face value in this case.

But Brookfield has a long way to go in terms of growth. That's thanks to its growth within the renewable energy sector

, offering a wide array of assets all around the world. And its' seen lots of growth in the last few years. Shares are up 1,558% in the last 20 years for a CAGR of 15%. Further, its dividend is at 4.56%, with a CAGR of 18.33% in the last decade!

Altogether, if you were to invest $10,000 and see the same growth, that could create a portfolio worth $60,486 in a decade! And with renewable energy growing as it has, that doesn't look unlikely.

Canadian Utilities

Now if you really want stability, then you want a utility dividend stock. If you want stable growth in dividends, consider utility stock **Canadian Utilities** (TSX:CU). It's the only stock on the **TSX** today that has 50 consecutive years of dividend growth!

That's thanks to the stability of the utility industry, with the company able to grow organically and through acquisitions year after year. Shares are up 467% in the last 20 years, for a CAGR of 9%. Meanwhile, its 4.88% dividend has risen by a CAGR of 8.1% in the last decade alone.

If you were to invest that $10,000 in your TFSA and watch it grow at the same rate, then in the next 10 years you could have a portfolio worth $37,541.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:TD (The Toronto-Dominion Bank)

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