TFSA Investors: 3 Growing and Diverse Dividend Stocks to Help You Earn Income

Description

One of the benefits of a TFSA account is that any dividends collected (as well as any capital gains that are earned) inside the account will be tax-free, making the investment account a very attractive option for many investors.

The three stocks I have listed below all offer good dividend rates, have histories of growing payouts, and offer diversification to your portfolio.

Bank of Montreal (TSX:BMO)(NYSE:BMO) is one of Canada's top banks, and, as such, it is hard to go wrong with this stock. Currently, the stock pays a dividend of just under 4% annually, and the bank has increased its dividend in each of the past five years. The most recent increase happened this year when the dividend was hiked from $0.88 every quarter to $0.90 for a jump of over 2%.

In four years, the dividend has increased by 22% for a compounded annual growth rate of 5%. The bank's history shows it typically increases its dividend $0.02 at a time, so it wouldn't be surprising for the rate to jump to $0.92 within the next year.

In addition to a strong and growing dividend, BMO's stock has been very stable and, over five years, has provided investors with returns of over 60% and over 6% in the past 12 months. This is a very safe dividend stock to add to your portfolio that you can help you benefit from dividends and capital appreciation as well.

BCE Inc. (TSX:BCE)(NYSE:BCE) is one of the biggest names in Canadian business and has an excellent long-term future. The company currently pays its shareholders a dividend of about 4.8% per year and also has a strong history of growing its payouts. The current dividend of $0.7175 is up over 5% from the prior year's quarterly payment of $0.6825, and in four years the dividend has risen by more than 23%.

BCE's stock has increased by over 32% in the past five years, and, despite a poor performance in Canadian markets this year, the company's share price has increased by over 2% year to date. The opportunities for capital appreciation are a bit more limited with BCE than with BMO, but if nothing else, the stock should provide you with stability and a good dividend.

Pembina Pipeline Corp. (TSX:PPL)(NYSE:PBA) is a big player in the oil and gas industry that could see tremendous upside if oil prices make a recovery. Pembina's dividend rate of over 5% is the highest one on this list, and, unlike BCE and BMO, payments are made on a monthly basis.

The company has increased its dividend from $0.16 earlier this year up to $0.17 for growth of over 6%. Although the company is in the oil and gas industry, that hasn't stopped it from increasing dividends, as it has done so in each of the past five years. In four years, the dividend has grown by 26% frommonthly payments of just $0.135 in 2013.

Pembina's stock is certainly the most volatile in the list here because of its exposure to the price of oil, but even in the past five years, it has still grown by over 44% and just over 1% in the past year. If the price of oil takes off, so too will Pembina's share price.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:BCE (BCE Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

Tags

1. Editor's Choice

Date
2025/08/23
Date Created

2017/08/31
Author
djagielski