TFSA Investors: These 5 Dividend Payers Can Help Make You Rich!

Description

Compounding investment earnings is what can make even small investments become large investments given enough time.

When your stock pays you a regular dividend, it gives you the ability to take those dividend receipts and re-invest them in additional investment opportunities — taking advantage of the "magic" of compound interest.

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Let's take a look at five stocks that pay attractive dividends and that would make a good fit for your Tax-Free Savings Account (TFSA).

Molson Coors Canada Inc. (TSX:TPX.B)(NYSE:TAP) is a little unlike the rest of the companies on this list, as its dividend yield of 2.39% is considerably less than the other four.

But what's important to note is that Molson's dividend yield today is artificially low, as the company has decided for the time being to devote the bulk of its cash flow to retiring part of the debt it took on as part of last year's Miller Coors acquisition.

The good news is that the Molson recently announced that it expects to increase its payout by next year, which could end up providing a big boost to the company's stock price.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) pays investors 6.3%, which sounds really great until you realize that the company has plans to increase the current payout by up to 10% over the next two years, which only makes it that much better.

Enbridge has long been a favourite of Canadian dividend investors, and with the stock just a few dollars above its 52-week low, now might be as good a time as ever to take a close look at Canada's largest pipeline company.

Of all the companies on this list, **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG) has the dividend that would be most vulnerable to a reduction or even suspension.

With oil rallying, this doesn’t appear to be much of a concern for now, but if commodities markets were to fall on hard times, like they did a couple of years ago, Crescent Point may find itself backed into a corner with the current payout.

To be perfectly honest, any of the major Canadian banks would make fine dividend investments. But of the bunch, **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) would have to get the prize as offering the best combination of its dividend yield as well as dividend-growth potential.

CIBC pays a dividend yield of 4.58%, which is the highest of its peer group; however, investors may also want to consider **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) on a relative-value basis.

Looking for a company that stands to be a part of the next wave of the future?

Most companies involved in revolutionary technologies don’t pay much of a dividend — or any at all — as either they are burning through cash or reinvesting any available cash flow in research and development.

In that respect, **Brookfield Renewable Partners LP** (TSX:BEP.UN)(NYSE:BEP) would be the exception to the rule.

Brookfield is engaged in a variety of renewable energy projects, including wind and solar, but on top of what should be a very bright future for the company, shareholders are getting paid a solid 6.28% yield while they wait.

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. NYSE:ENB (Enbridge Inc.)
5. NYSE:TAP (Molson Coors Beverage Company)
6. NYSE:VRN (Veren)
7. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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