

TFSA Investors: 2 Safe Dividend Growth Stocks That Pay Over 3%

Description

A TFSA account is a great tool for building wealth, especially over the long term. But given how unpredictable the TSX has been lately, you want to be careful in ensuring you pick the right stocks, otherwise, your portfolio's value could go down.

While dividend stocks might appear to be safe investments, investors need to remind themselves that there's no guarantee that a dividend will continue and that it won't be cut, so it's important to actually like the business itself before making a decision to buy a particular stock. Worst case, if the dividend goes away or is reduced, you still end up with a stock that is still a good buy.

Below are two stocks that pay more than 3% in dividends every year with a lot of potential growth in the years to come.

Fortis Inc ([TSX:FTS](#))([NYSE:FTS](#)) is always a popular choice when it comes to dividend stocks because it pays a generous 4% [yield](#) and has a great business model. The utility provider is in an industry that doesn't have to care how the economy is doing. Regardless of where interest rates are or whether people can afford to pay their mortgages, one thing that they will likely find a way to afford is keeping the lights and power on.

With a broad customer base in multiple different countries, Fortis offers a lot of diversification to investors, which will help mitigate any domestic issues. The company's sales have doubled in the past four years as Fortis has been able to accelerate its growth by using acquisitions to boost its top line.

With the company posting a profit in each of the past five quarters, investors don't need to worry about whether or not it's able to stay in the black.

Fortis is a great blue-chip stock to invest in on the TSX that could generate significant returns for investors over the long haul. In 10 years, its share price has risen by more than 70%.

Suncor Energy Inc ([TSX:SU](#))([NYSE:SU](#)) is another big stock on the TSX that can provide your portfolio with some stability. While it operates in the riskier oil and gas industry, the company's track record speaks for itself as it has been able to turn a profit even during troubled times.

While sales may not be as high as they were five years ago, Suncor's focus has been on [efficiency](#) and generating more value for its shareholders. There are signs that the future is getting brighter, as in the company's earnings release back in July, sales were up over 42% while profits more than doubled.

Suncor has also done a great job of generating free cash flow as well, which is a crucial ingredient when it comes to funding growth.

Currently, the stock pays investors a dividend of around 3.1%. The company has a history of increasing its payouts, and so investors that buy the stock and hold for years could be making significantly more on their original investment.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:FTS (Fortis Inc.)
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