TFSA Investors: 3 Safe Dividend Stocks Yielding Up to 6%

Description

Adding some high-yielding dividend stocks into your TFSA is a great way to earn tax-free income over the years. The key is finding the balance between a good yield and one that's not too high and in danger of being cut. Below are three good options to add to your portfolio that will give you a good yield while not exposing you to significant risk along the way.

Telus Corporation (TSX:T)(NYSE:TU) is one of the more stable stocks on the TSX. In the past year, its returns have been around 3%, and in five years the share price has risen by 25%. Those aren't great numbers if you're looking for capital appreciation. However, in terms of dividend, it's good because it indicates a level of stability and modest growth that you'd expect from a mature company.

That's not to say that it hasn't been able to grow. In its last quarter, Telus' sales were up 7% year over year and profits also improved by 20%. But it's also unlikely that growth like that will be sustainable in such a highly-competitive industry. It's a nice bonus, but investors will really be looking for the dividend, which now pays investors 4.7%. The company has hiked its payouts twice in the past year and it's likely that more increases are on the way.

A&W Revenue Royalties Income Fund (TSX:AW.UN) is another good option to for its performance and dividend as well. The stock has achieved a bit more growth than Telus has, rising 20% over the past year and 69% over the past five. While the fund has generated less than $40 million over each of the past five years, it has also produced a stable net income of between $14 million and $22 million during that period.

A&W has also increased its payouts multiple times during the past year, and shareholders are now earning a dividend yield of 4.7%. The added bonus for investors is that the company's dividend payments are made monthly, which provide a much more regular stream of cash flow than ones that pay every quarter. For investors looking for a monthly dividend to help pay their bills, A&W could be a great option.

Enbridge Inc (TSX:ENB)(NYSE:ENB) may seem like a risky option because it's in oil and gas, but the company has shown a lot of stability during even the most challenging times. While it has seen some volatility over the past 12 months, the stock has risen more than 12% during that time, but over five years it is up only 7%. Although that may seem disappointing, given the downturn in the industry, that's a pretty good return. If things recovery, Enbridge's stock could see a lot of potential upside.

What's impressive is that even with the downturn in oil and gas, Enbridge has continued to grow its dividend over the years. It recently hiked its payouts again and the stock now pays a dividend of 6%. The stock will undoubtedly see volatility as a result of oil prices, but long term it should provide a lot of consistency.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TU (TELUS)
3. TSX:AW.UN (A&W Revenue Royalties Income Fund)
4. TSX:ENB (Enbridge Inc.)
5. TSX:T (TELUS)

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Date
2025/08/18
Date Created
2019/02/07
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