



## TFSA Investors: Stash These 2 Dividend Stocks in Your TFSA for Long-Term Wealth Creation

### Description

The TFSA account, which now has a maximum allowable contribution limit of \$63,500 is an increasingly important and significant element for investors in achieving their goals of maximizing their investment portfolios.

And the tax-free status of the [TFSA](#) is a very important benefit that investors would be well-advised to take advantage of as fully as possible.

The tax savings add to returns today, and the compounding of these tax savings make for a significant advantage in the long-term.

Here I would like to discuss two dividend stocks that are excellent for your TFSA for their staying power, their predictability and high visibility of earnings and cash flow, and for their stability and [long-term growth](#) prospects.

### TransCanada Corp. ([TSX:TRP](#))([NYSE:TRP](#))

For more than 65 years, TransCanada has been developing and maintaining energy infrastructure, while handsomely rewarding shareholders.

And with a current dividend yield of 4.7%, it's hard to find a safer income stream at these levels than this.

Since 2000, TransCanada stock has provided shareholders with a 13% average annual return, while delivering yearly dividend increases, which brought the dividend per share from \$0.80 to \$2.80.

The recent approval of LNG Canada's proposal to build the LNG plant is another driver for the stock going forward in that it has resulted in the company moving forward on its Coastal GasLink natural gas pipeline, and it will have a positive effect on investor sentiment toward TransCanada stock as well.

TransCanada has above average, visible growth, and an infrastructure presence that should ensure strong growth well into the future.

Investors can expect continued dividend growth of 8% to 10% through to 2021.

## **AltaGas Ltd. ([TSX:ALA](#)).**

While AltaGas has been anything but confidence-inspiring, its rating remains investment grade and its business should be a stable, defensive business on a long-term basis offering investors a long-term dividend-paying stock.

Year-to-date, AltaGas stock has rallied 27%, which isn't what we would normally expect from a utility stock, but this follows a year of big downside for the stock as debt levels got out of hand and as investors lost confidence in the company.

More recently though, things are looking up.

AltaGas' year-end 2018 results showed a significant increase in EBITDA to \$1 billion (+26%), a 7% increase in funds from operations, and a further reduction in debt.

In 2019, AltaGas will see further reductions in debt to the tune of \$3 billion, to be funded through continue asset sales as well as cash flow generated.

Uncertainties going forward remain, mostly related to the price that AltaGas will be able to secure for its assets that are up for sale.

But at the end of the day, AltaGas offers investors a 5.45% dividend yield and a company with good opportunities going forward amid a lower risk environment after the steps that have been taken.

A focus on gas midstream and regulated gas utilities should drive solid cash flow growth, as the company focuses on achieving synergies from WGL acquisition, and as WGL's high-quality assets and market position brings AltaGas many growth opportunities and accretion.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

### **TICKERS GLOBAL**

1. NYSE:TRP (Tc Energy)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:TRP (TC Energy Corporation)

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