



## Passive Income Alert: 2 Reliable Dividend Stocks to Own in Your TFSA for Decades

### Description

Every investor dreams of the day when he or she can simply live off the returns generated from a basket of top-quality [dividend](#) stocks.

Those who start early and harness the power of compounding have a shot at potentially packing it in 10 years early, with salaries replaced by distributions from a substantial TFSA portfolio. Older passive income investors might simply be interested in building secondary funds to help supplement their company pension, CPP, and OAS payments when they quit work at 60 or 65.

Let's take a look at two stocks that might be interesting picks today to help you reach your passive-income goals.

### Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

Royal Bank just reported fiscal Q2 2019 earnings that beat expectations. The company generated net income of \$3.23 billion for the three months, up 6% compared to the same period last year. Return on equity was a healthy 17.5% and the company remains well capitalized with a CET1 ratio of 11.8%.

Royal Bank is investing heavily in its digital banking initiatives, and those efforts are producing the desired results. The number of active mobile banking users jumped 17% to 4.1 million over the 90 days, while digital adoption rose to 52% in the quarter.

Royal bank increased the dividend by 4% when the fiscal Q1 numbers came out, and another similar hike wouldn't be a surprise later this year. The current payout provides a [yield](#) of 3.9%.

The stock has pulled back a bit in the past month, so investors have a chance to buy Royal Bank at a more reasonable price. It still isn't as cheap as it was in December, but trying to catch the bottom on a correction in the stock often results in missed dividends and lost upside on a surprise rebound.

## **BCE** ([TSX:BCE](#)) ([NYSE:BCE](#))

BCE is Canada's largest communications company, providing retail and commercial clients across the country with mobile, internet, and TV services. BCE also owns a media division that owns a wide variety of businesses, including a television network, specialty channels, sports teams, and radio stations. The company's retail stores round out the end-to-end value chain that enables BCE to interact with existing and potential new customers every day.

BCE has the financial capability to make the investments needed to ensure it keeps up with growing broadband demand. Revenue growth is slow but steady, and BCE is targeting a 7-12% increase in free cash flow for 2019.

The company pays a generous dividend, and distribution increases should continue along the recent pace of about 5% per year. The existing dividend provides a yield of 5.2%.

## **The bottom line**

Royal Bank and BCE are leaders in their industries and should prove solid picks today for a buy-and-hold TFSA income portfolio.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BCE (BCE Inc.)
4. TSX:RY (Royal Bank of Canada)

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aswalker

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