



Millennials: 3 Stocks to Stash in Your TFSA

Description

Starting a TFSA is one of the best financial instruments available to investors. Unfortunately, determining exactly *which* investments to add to a TFSA can feel overwhelming at times, but these three investments should provide years of growth and income-earning potential.

All aboard the income train

Canadian National Railway ([TSX:CNR](#)) ([NYSE:CNI](#)) is a solid long-term investment that can provide decades of steady growth. The stock has realized gains of near 12% in the trailing 12 months, and looking back over the past five years, that gain extends to an impressive 79%.

During the first fiscal of 2019, CN saw revenues surge 11% over the same period last year, coming in at \$3,544 million. Diluted earnings per share also impressed, coming in at \$1.08 reflecting an 8% gain over last year.

Turning to dividends, CN offers a quarterly dividend with a 1.79% yield, which has also seen handsome upticks on an annual or better basis spanning back over a decade. The most recent uptick to \$0.538 was reflected in the payout earlier this month.

Railroads are arterial veins to the entire North American economy, hauling more freight than any other mode of transport. On an annual basis, this translates into upwards of \$250 billion worth of goods, raw materials, and components.

CN is also in the midst of a massive infrastructure improvement project, which includes a \$3.9 billion investment made this year.

Let this investment power you to riches

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is anything but a typical utility. The company comprises two separate parts, which include a utility as well as a power generator.

Both segments serve over 750,000 customers in a dozen U.S. states. Additionally, Algonquin's energy portfolio is entirely renewable, which puts the company in an advantageous light over its traditional peers.

In terms of growth prospects, Algonquin recently acquired a power operator in Bermuda in a US\$365 million deal. Algonquin is also planning for US\$1.7 billion in power facilities to be built, expanding its portfolio further.

Apart from that intriguing growth opportunity, Algonquin also provides a [handsome quarterly dividend](#). The current yield amounts to an appetizing 4.82%, which reflects a healthy 10% bump announced earlier this month.

Bells are ringing everywhere

Most investors instantly recognize **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) as the massive media and telecom behemoth. There are also several intriguing opportunities for investors that are less obvious.

Wireless connections have gone from status symbol to a modern necessity in under a decade. With that necessity comes the need for more data, faster devices, and an ever-increasing demand for new applications.

To put that into perspective, industry experts note that over a third of Canadians have ditched wired connections in lieu of mobile ones, and within the next three years, Canadian mobile data alone will be double the amount of all Canadian internet data was in 2005.

That growth was evident in the most recent quarterly update, where the wireless segment saw customer growth of 3.1% or 50,000 postpaid net additions. Also during that recent quarterly update, BCE also saw earnings grow by 11.6% and free cash flow hit \$642 million, reflecting a solid 19.6% increase over the prior period.

BCE's dividend provides an appetizing 5.21% yield, which makes the stock an [attractive option](#) for income seekers. Adding to that appeal is the fact that BCE has paid out dividends for over a century and has maintained healthy annual upticks for over a decade.

Final thoughts

One of the many benefits of starting a TFSA early is allowing your investments to grow over a longer period of time. The investments noted above are, in my opinion, great diversified picks that meet that requirement while also providing solid income-earning potential.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:CNI (Canadian National Railway Company)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BCE (BCE Inc.)
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