



Trust Your Partner? Team Up to Make a Perfect TFSA Pair

Description

The wedding might be over. You may be back from the honeymoon. And you and your partner may have settled into that daily routine. But that doesn't mean there isn't still excitement to be had in your relationship. And, honestly, what's more exciting than more money?

If you're like many young Canadian couples, it's probably what you're most concerned about right now. When can we buy a house? Once we do, how will we pay the mortgage? What about a dog? Kids? Groceries? Property taxes? When did all this adulthood even happen?

It doesn't have to completely suck to be an adult. In fact, one of the best adult things you can do is set up a Tax-Free Savings Account (TFSA) that you and your partner can take advantage of. As of 2019, the contribution room for a TFSA is \$63,500. That means between the two of you, there's \$127,000 to take advantage of. Now whether you have those funds available or not, it's still a great place to get started, reinvesting as you go. That'll leave a solid chunk of cash waiting for you for that mortgage payment, that trip abroad, those 2.5 kids, and even retirement.

When it comes to what stocks to buy, look for market-leading stocks that pay out reliable dividends that can be reinvested into your TFSA.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) offers investors the perfect opportunity, as the stock has recently dropped due to a delay in its Line 3 replacement project. While this might be a hiccup of bad news in the short term, this stock has been strong and reliable for decades and will continue on this path for decades more.

Enbridge is in the midst of a [growth project](#) over the next few years, having \$16 billion put aside to replace and expand multiple pipelines. But beyond that, it also has a number of long-term contracts to provide the pipeline provider with steady cash flow for several decades.

That predictable cash flow means investors can expect a reliable increase in share price and in dividend growth. Right now, the stock provides a 5.93% dividend yield and a share price that analysts

think could increase by more than 30% in the next year.

Royal Bank

If you're looking for steady and stable, you can't go wrong with one of Canada's top banks. Among those, I would choose **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)). It's the biggest bank stock in Canada with a solid balance sheet that comes from a diverse set of assets both at home and abroad.

In fact, its wealth management and commercial banking sector has provided the company with a strong influx of cash, and analysts predict this will continue to add high-margin growth for the company. In the last decade, the stock has steadily increased 238%, and in the next 12 months, analysts predict it could increase more than 25%. That extra cash coming in means investors can continue to expect an increase in [dividend growth](#), which right now sits at 4.02%.

Foolish takeaway

So, if you and your partner buy up these stocks today, with \$63,500 in each, in the next 12 months alone you could see a profit of \$38,000. On top of that, you'll receive an annual dividend combination of about \$6,550 that you can choose to use or reinvest when the next contribution room is announced.

But all in all, that's not a bad outlook for just one year, never mind if you buy and hold for decades. Now, that's something you and your partner can get seriously excited about.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/09/10
Date Created
2019/06/15
Author
alegatewolfe

default watermark

default watermark