



## Start a TFSA Mini-Pension Fund With These 2 Stocks

### Description

Today's young Canadians have less security than that of previous generations.

The parents and grandparents of the millennial cohort likely had a big, fat pension waiting for them upon retirement. Although today's young Canadians have been paying their CPP dues, they shouldn't expect their pension alone to be enough to finance a retirement lifestyle that's nearly as comfortable as that enjoyed by many of today's retirees.

It's up to today's young people to build their *own* mini-pension funds to retire without having to barely scrape by as the cost of living continues to soar. Fortunately, [the TFSA is an excellent vehicle](#) to start building wealth, and best of all, it can serve as a tax-free passive-income stream that can pay you regularly over the near term and have your back in decades down the road when you're ready to hang up the skates.

Without further ado, consider the following above-average [dividend growth](#) stocks with generous upfront yields and an above-average means to grow over time.

### TFI International

Here's a stock that's the epitome of what value investors crave. It's a misunderstood cash cow with uptrending fundamentals, a long-term growth runway, and ridiculously low valuation metrics.

For those unfamiliar with **TFI International** ([TSX:TFII](#)), it's a North American transport and logistics firm that keeps on trucking through good times and bad. While shares may fluctuate in conjunction with expectations for the economy, smart investors can see through the shorter-term noise and focus on what matters more — improvements made at the company-specific level.

The business of LTL trucking is ridiculously boring, but the growing free cash flow stream is anything but. With a reasonably conservative 26.24% TTM payout ratio, there's plenty of room to support further annual dividend hikes.

The dividend yields a modest 2.5% at the time of writing, which, while not much upfront, has the potential to become very bountiful the longer you hold the stock.

## Toronto-Dominion Bank

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has been the worry-free bank that's performed relatively well over the past years despite the unfavourable macro environment and the widely publicized short-seller bear theses that have applied negative pressure on the broader basket on Canadian bank stocks.

Steve Eisman, the man behind The Big Short, noted in a prior appearance in the media that he had "high conviction" on the bear thesis for the Canadian banks in nine out of 10 cases. In a prior piece, I noted that TD Bank was likely the odd bank out.

TD Bank is a rare breed — a conservative lender with a management team that seems to always be prepared for tough times. Best of all, the bank commands growth that's comparable to its "riskier" peers in the space.

If you're at all concerned about recent downgrades of Canadian banks, I'd opt for quality and go with the best of the bunch in TD Bank, which doesn't deserve to be grouped with its peers this time around.

You're getting a 3.82% yield and what I think could be the largest magnitude of dividend hikes over the next five years and beyond. Indeed, a perfect fit for any TFSA pension fund.

Stay hungry. Stay Foolish.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)
3. TSX:TFII (TFI International)

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