TFSA Investors: Double Your Savings With These 3 Dividend-Growth Stocks

Description

Tax-Free Savings Accounts (TFSAs) are among the best accounts available for holding income investments. Allowing you to accumulate *and* withdraw dividends tax-free, they're a great way to build an income stream that provides you a little extra cash to spend. Although RRSPs are generally better for *long-term* retirement savings, TFSAs are the absolute best option for building dividend income for use in the near future.

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Right now, the TSX abounds with dividend stocks that can reward you richly in your TFSA. Depending on how much contribution room you have, you may be able to earn up to $4,000 a year in extra cash — and that can grow over time as your stocks increase their dividends. With that in mind, here are three dividend stocks that could easily double your savings and give you a steady income stream to boot.

Canadian National Railway

Canadian National Railway (TSX:CNR)(NYSE:CNI) is Canada's largest and most respected railway company. Operating a huge North American rail network that serves a whopping *three* coasts, it has an incredible economic moat. Not only does it have a huge competitive advantage for certain routes (say, New Orleans to B.C.), it's also protected by all the usual barriers to entry that make railways ultra-safe.

A few days ago, CN released a quarterly report that saw its earnings jump 15% and crush analyst estimates. Its stock pays a dividend whose yield is not too high right now (1.8%) but has a lot of growth potential.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) operates Canada's longest and most sophisticated pipelinenetwork. Shipping both crude and LNG, it ships 1.4 million barrels of petrochemicals per day. Thecompany took a bit of a hit after oil fell off a cliff in 2014, and as a result, its dividend yield is now ultra-high at 6%.

Since the 2014-2015 oil collapse, Enbridge has grown annual net income from $250 million to $2.8 billion. Its income isn't too tied to the price of oil, because it makes money off of toll fees rather than direct oil sales. Although a fall in the price of oil might send this stock (irrationally) lower, that would just mean a higher dividend yield for those who kept buying.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is Canada's fastest-growing bank. With a huge presence in the U.S., it has growth prospects that other Canadian banks can only dream about. TD shares have a dividend yield of about 3.85% at the moment, which is already pretty high, but the yield could go even higher if the bank keeps up its streak of raising the payout 10% a year. In addition to delivering solid dividend income, TD has also had a pretty good run in terms of capital gains, rising 13% in the past year. It's a true dividend-growth stock in every sense of the word.

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2. NYSE:ENB (Enbridge Inc.)
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