Your TFSA Can Earn Higher Interest With These Stocks

Description

Canada is caught in a tight battle between traditional fossil fuels and the future of clean energy. As politicians and wealthy corporations fight to retain power over Canadian utility consumers, Tax-Free Savings Account (TFSA) investors should vote on the issue in the stock market.

Brookfield Renewable Partners (TSX:BEP.UN)(NYSE:BEP) is a lucrative dividend stock trading at below $50 per share. The outstanding 5.6% dividend yield has been accompanied a 20.4% capital gain in the past year.

TFSA investors interested in avoiding the number one retirement mistake Canadians make today should consider purchasing shares in Brookfield Energy and **TransAlta** (TSX:TA)(NYSE:TAC).

In March 2019, Brookfield announced a strategic investment in TransAlta to augment its hydroelectric power investments. Brookfield is one of the world's most prominent players in renewable power, with 75% of its portfolio invested in hydroelectric energy. The other 25% consists of global wind and solar technologies.

Brookfield's investment in TransAlta is critical to support the utility company's transition to clean energy. TransAlta will convert its dirty coal energy generation facilities into natural gas, while reducing the stock's corporate debt burden by $1.2 billion.

TransAlta offers Canadian investors a 1.86% dividend yield at a share price of under $10. In a defensive industry, and with the financial backing to innovate, TransAlta stock will help Canadian savers protect their income from the next recession.

Don't miss out on tax-free savings

According to **Royal Bank of Canada**, the number one mistake Canadian investors make is failing to take advantage of tax-free savings benefits. Canadian savers are some of the luckiest in the world in that they have a wide range of tax-free savings options available from which to build retirement income.

Despite all the tax-free options to build wealth, Canadians maintain 42% of their savings in low-yield cash versus risk-free Government Insured Certificates (GICs) and rock-solid dividend payers like Brookfield. There are safe strategies to benefit from the tax-free saving privileges that every Canadian should employ.

Learn strategies to grow your wealth

The first strategy is knowing how to invest emergency savings for growth while retaining liquidity. There are 30- and 60-day GICs available at a 2.30% yield requiring only a minimum deposit of $1,000 at Oaken Financial, a subsidiary of **Home Capital Group**. Canadian savers should roll over emergency savings in these certificates to earn the highest interest possible on their short-term savings.

The second strategy involves shaking the fear of self-investing in the stock market. There are reliable dividend-issuing stocks like **Thomson Reuters** and Brookfield that genuinely take care of their shareholders.

Brookfield is excellent because it not only provides shareholders with high dividends, but its quarterly earnings growth year over year is around 325%.

Research your investments

You only need to find a few dependable corporations in which to entrust your hard-earned dollars. After picking active players like Thomson Reuters and Brookfield, which will guarantee long-term gains, stay current with how these corporations are performing.

A great way to stay current on a stock is to subscribe to receiving earnings updates and press releases via email. Most stocks allow you to subscribe to receive these updates as they are announced. In this way, you can quickly become an informed investor.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:TAC (TransAlta Corporation)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:TA (TransAlta Corporation)

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