TFSA Investors: 3 Dividend Stocks Yielding up to 8.2%

Description

Dividend income earned inside a TFSA can be tax-free, and it's a great way for someone to accumulate wealth. Stocks with high yields can be attractive options to put into the TFSA. Below are three options that could be ways for investors to inject some cash into their portfolios.

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is one of Canada's top stocks, and it's a good long-term investment for a lot of reasons.

With many different segments contributing to its top line, Rogers has many ways that it can grow its business and not be entirely dependent on the success of one segment in order to be able to produce strong quarterly results, making it a very stable buy.

The stock has also generated strong returns for investors, rising more than 50% over the past five years.

In addition, Rogers also pays a dividend of around 3% per year, padding those returns even further. The company has also increased its payouts over the years, making it an even more attractive investment over the long haul for dividend investors, since they'll effectively be earning more on their original investment in the years to come, assuming that the company continues raising its dividend payments.

Sleep Country Canada Holdings (TSX:ZZZ) has a bit of a higher yield, coming in at around 3.6% per year. While retail stocks may have fallen out of favour with investors over the years, Sleep Country has continued to show strong results over the years.

In 2018, its sales of $623 million were up more than 6% from the previous year, and in three years the company's top line has increased by 37%. Even more importantly, the company has generated strong profits in recent years, averaging a profit margin of around 9.7 during that time.

Sleep Country's mattresses are well known across the country, and the company's products are essential for consumers. That's why even if the economy struggles, as long as there's population growth, there's a good bet that Sleep Country will continue growing its sales. The stock looks to have a lot of long-term stability, and that's an important feature of a dividend stock, as investors will be looking for consistency.

Gamehost (TSX:GH) has the highest dividend yield on this list, currently paying 8.2% per year. That's a mammoth yield, and one of the reasons it has gotten so big is that the company's share price has fallen over the past 12 months, declining 27% during that time.

When dividend stocks fall in value and their payouts remain the same, that means that the yield is higher than it was before. It gives investors the opportunity to scoop up the higher-than-normal dividend, assuming, of course, the business isn't riskier or worse off than it was before.

In the case of Gamehost, there's definitely some risk for the stock given the challenges facing the Albertan economy today. With a strong exposure to that part of the country, investing in Gamehost involves betting on the success of that province and the ability for it to drive some significant sales growth for the company.

Anytime investors look for yields this high, it's inevitable that there will be at least some risk, and Gamehost is no exception.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. TSX:GH (Gamehost)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:ZZZ (Sleep Country Canada)

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Date
2025/08/25
Date Created
2019/09/18
Author
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