



TFSA Cash Cows: 3 Stocks With Huge Dividends

Description

Smart investors know that if you want to become wealthy, you need to make your investments work hard to create more money for you – you should not work hard to make more money to invest.

There are many ways you can utilize your capital to increase your wealth. A Tax-Free Savings Account (TFSA) is perhaps the best way to use your money to that end.

A TFSA is an account that does not apply taxes to the contributions you make. It also does not tax any interest earned, capital gains, and most important, dividends. To make the most of the [TFSA](#), you need to consider looking closely at dividend-paying stocks that put in a strong performance.

Let's take a look at three of the most practical, safe and robust dividend-paying stocks to buy and hold: **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)), **Emera Inc.** ([TSX:EMA](#)), and **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)).

BCE

BCE is the top telecom operator in Canada. BCE is a high-quality dividend stock that you should consider for your TFSA. Strong dividend-paying stocks improve the quality of your TFSA due to a steady stream of income.

The more consistent the flow of money, the more money can fill up your savings account, and BCE is a strong contender to consider.

The company has a massive moat, creating substantial cash flows. Market leaders in the Canadian telecom industry, BCE's leading position will allow them to make sure TFSA investors continue to profit. As BCE's performance improves every year, the company's dividend payouts will increase annually.

The second quarter of this fiscal year ended on June 30, 2019, and BCE had nothing but good news. The profits for BCE rose to \$817 million – an 8.2% increase. An attractive dividend yield of 5%, the

\$64.22 share price for BCE makes it a stock you should consider.

Emera

A giant in Canada's utility sector, Emera is having a good year in 2019, and it's showing no signs of slowing down in the stock market. The company's share price has been on the up for several months now. At \$58.34 at writing, the stock price of Emera is up by 68.8% from September 27, 2018.

Emera's are spread throughout Canada, the United States, and even the Caribbean. The company is also earning over 80% of revenue through regulated businesses, which means that the company is well-equipped to tackle any incoming recession. Emera has also taken steps to decrease risk exposure by selling off multiple assets.

Emera has a dividend yield of a juicy \$4.12, and the company promises to increase dividends by a compound annual growth of around 5% through 2021.

Combined with the fact that revenues for Emera should remain relatively stable through a recession, I feel that the stock could be a good investment for your TFSA.

Enbridge

A multinational energy transportation company based in Calgary, Alberta, Enbridge has had its fair share of troubles in the past few months. The energy firm faced roadblocks through regulations, which slowed the pace of a significant growth project underway, the Line 3 Pipeline Replacement Project.

The share price took a dip as a result, but ENB is a stock you should consider having in your TFSA. Enbridge has several reasons to be a top consideration. A leading North American energy company, Enbridge is responsible for a substantial amount of energy transport in Canada and the country south of the border.

Despite the headwinds Enbridge faced in recent months, the company's [latest financial results](#) showed investors how well the company could perform. If you think that these positive factors make ENB look good, the dividend yield will make the shares look even better. The dividend yield for Enbridge stocks is currently 6.95%. An amazing dividend you could hold in your TFSA.

Foolish takeaway

BCE, Emera, and Enbridge all have stable operations. The growth prospects for all three companies are attractive with incredible dividends. Adding these to your TFSA to buy and hold for a long time could help you become quite wealthy in the long run.

CATEGORY

1. Energy Stocks
2. Investing
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:EMA (Emera Incorporated)
5. TSX:ENB (Enbridge Inc.)

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