Young Canadians: 3 TFSA Tips to Boost Your After-Tax Income

Description

Millennials don't realize that they're doing financially better today than the older generations. Income in this age group is rising, and the financial opportunities to be wealthy are plenty. Statistics show that the group's average yearly investment is nearing $3,000.

If you belong to this generation, you can invest twice as much in your TFSA to boost your after-tax income. Your vehicles are **Fortis** (TSX:FTS)(NYSE:FTS), **Manulife** (TSX:MFC)(NYSE:MFC), and **True North** (TSX:TNT.UN).

Find the real deal

Fortis is the frontrunner and the real deal for income seekers. It doesn't matter whether you're a millennial, a Gen-X, or a baby boomer. This regulated electric company pays a respectable 3.41% dividend. The stock offers moderate capital gain too.

You can receive reliable cash flows from the dividends Fortis pays. Keep in mind that the regulated electric utility business will generate profit for decades because the contracts are long term. The stock is recession-resistant, which means it offers investment protection too.

But the real takeaway is the fundamental characteristics of Fortis. Its latest quarterly earnings show a 61% growth on the bottom line. The company has now surpassed its average level in the last five years. Over the past decade, increasing dividend payments has become customary.

Market observers are anticipating impressive results again when Fortis presents its Q3 2019 financial results in early November. You could time your purchase before that.

Invest in an icon

Manulife, an icon in the insurance industry, is also a dividend stock for both young and old investors. This $45.0 billion company is a household name in Canada.

If you want to save for a down payment for a dream home or start building retirement savings early, Manulife is an excellent addition to your TFSA. Likewise, you can cut down on unnecessary spending to purchase more shares.

This insurance and financial services stock pays a 4.35% dividend. By targeting a zero withdrawal from your TFSA and instead reinvesting the dividends, you can fatten your TFSA balance in no time at all.

Manulife expects a 7.7% growth this year and 10.9% annually in the next five years. Analysts are also forecasting a 43.3% price appreciation in the next 12 months. This stock is also your insurance for the future.

Go after market-beating returns

True North is a great buy at $7.07 per share at writing. This $407.6 million real estate investment trust (REIT) pays a hefty 8.99% dividend. Aside from boosting after-tax income, your investment in True North could double in a little over eight years.

True North owns and operates most of the prime commercial properties in urban cities in the country. Its tenant profile is one of the best in the real estate sector. The federal government of Canada is one of its tenants.

But the most compelling reasons to invest in True North are exposure to the thriving real estate market and the market-beating returns. If you're smart at saving, you should be equally smart in choosing the right investment. True North is your prosperity stock.

Smart investing

The younger generation in Canada, especially those under 35, have more savings and are debt-conscious. Although they take on student debt, the loans are often paid off entirely within three years.

With cash and zero debt, you could be smarter in investing by including Fortis, Manulife, and True North in your TFSA.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:FTS (Fortis Inc.)
4. TSX:MFC (Manulife Financial Corporation)

5. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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