



1 Dividend-Growth Beast That Can't Be Tamed for Your TFSA

Description

The Canadian government introduced Tax-Free Savings Accounts (TFSAs) 10 years ago to encourage families to save more money. Back then, many people did not know much about the TFSA. This is the reason the use of TFSAs has been quite slow. According to a study conducted in August 2019, however, 40% of Canadian families owned TFSAs.

TFSA adoption has been slow, but the numbers are an encouraging sign. The fact that people are not utilizing their TFSAs to their full potential is a shame. There are a [few strategies](#) you can apply to make the most of your TFSA. A highly useful approach is to buy and hold high-dividend-growth stocks in your TFSA.

Holding dividend-paying stocks in your TFSA means your wealth grows for two reasons. If the stock is healthy and its share price rises, you can accumulate more wealth due to capital gains. The company's dividend payouts add additional free cash to your account as well, completely tax-free.

A dividend-growth stock is one that does not just add more value to your account due to capital gains and dividends. The dividends increase over time, creating a more substantial flow of cash added to your account.

I think that **Telus** ([TSX:T](#))([NYSE:TU](#)) is a stock that exemplifies the kind of dividend-growth stock that investors should hold in their TFSAs. Let us take a better look at the company, so you can decide whether Telus is worth considering for your TFSA.

Telus

Canada's telecommunications industry is one of the best in the world. The sector is reliable, offers quality services to its customer base, and the number of people subscribing keeps increasing. Telus is Canada's third-largest telecom provider, with over nine million subscribers on its wireless services. Add to that a couple of million for the wirenet internet and a million television subscribers, and you get a company with plenty of customers.

The sheer number of people that Telus provides its services to indicates how well the company is doing. Telus never took on the hassle of creating a media division in the company, saving the company a lot of troubles. Media is not a great business. Instead, Telus has expanded to the security and healthcare sectors, both of which offer plenty of promise.

Telus has managed to create a more predictable cash flow for itself due to its approach to how it conducts business.

Dividend growth

Over the years, Telus has delivered [exceptional dividend growth](#). The company has raised its dividend payouts twice every year in the past nine years. The constant increase twice a year means that Telus has grown its dividends to more than double what they were back in 2010. The dividend yield at the time of this writing is a robust 4.42%.

The fact that Telus has managed to pay shareholders dividends without fail every quarter for the longest time also attests to the reliability of the stock.

Foolish takeaway

The \$30.17 billion market capitalization company is the third-largest company operating in one of the best telecommunications sectors around the world. Its business strategy creates more predictable cash flow for the company, seeing little to no hindrances in its growth.

I think Telus is an excellent stock to consider adding to your portfolio for gradual capital gains and dividend growth.

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2. Investing

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