



TFSA Investors: 5 Stocks for a 5% Yield

Description

If you are one of the many Canadians who have not yet opened a TFSA, you need to get cracking. New TFSA investors now have a combined contribution room available that amounts to \$69,500. If you could invest in stocks that give you a combined yield of about 5%, you would be looking to bring in around \$3,475 a year. If those are stocks that grow their dividends annually, you would be receiving more every year going forward.

That is tax-free income that you are receiving with the possibility of capital gains and growing payments going forward. But what are the best stocks to use as your starter portfolio? Choosing a variety of stocks in different sectors with large, growing payouts is the key to building a cash-generating machine. Here are five yield hogs that you can use to create your 5% [yield in your TFSA](#).

Oil and gas pipeline

Enbridge is a great stock to include, since it offers investors the leverage of an oil and gas stock with the stability of a utility. This massive dividend grower pays out a yield of over 6% at the time of this writing. It has also raised that dividend for decades, including the 10% hike it just gave investors recently. The company has its hands in many different pots, from natural gas regulated utilities to wind farms.

The bank

Although this is not the highest yielding of the Canadian banks, its international diversification more than makes up for that fact. **Bank of Nova Scotia** has a substantial yield of about 5% thanks to a recent pullback in the shares. This bank has paid a dividend for over a century and has raised it for much of that time. A few months ago, the bank hiked its dividend by 2.3%.

Wireless

The highest Canadian dividend payer, **BCE** now has a dividend yield of 5.24%. This dividend giant's payout has risen for years, with the last increase amounting to a hike of 5%. While this company is

Canadian-centric, it has managed to grow its business steadily over the years. Since people in the country don't show any signs of canceling their wireless subscriptions any time soon, it seems that its profitability is bound to continue.

The REIT

With a yield of about 7.26%, **Brookfield Property Partners** is an excellent income choice. This REIT is globally diversified and primarily holds retail and office properties in addition to a growing number of holdings in other sectors, such as hospitality. This company plans to increase its distribution in the range of 5-8% annually.

Tech

Although the yield on this company seems pretty paltry when compared to the others in this list, **Open Text** gives investors exposure to the high-return technology space. The yield is paltry at 1.55%, but it likely has the highest probability of capital appreciation of these companies. It has also been increasing its dividend regularly for years, with the last increase of 15% giving investors a lot to be happy about.

Foolish takeaway

These five stocks will provide a solid core for your new TFSA account. The combined yield works out to a solid [5% in tax-free](#) income annually. These diversified companies will provide you with a growing income stream for years to come.

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Date

2025/07/21

Date Created

2020/01/15

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