



## Tax-Free Fortune: 2 TFSA Stocks That Will Pay You \$2,100/Year With \$20,000 in Each

### Description

We are past the halfway mark in the first month of the new decade. It is an excellent time to take another look at your Tax-Free Savings Account (TFSA). The stock market is in for its share of volatility this year, with investors wondering which companies would make the best picks for an income-centric TFSA dividend portfolio.

I am going to discuss **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Telus** ([TSX:T](#))([NYSE:TU](#)) today. The stocks from both companies present an attractive option for you to consider due to the substantial dividend payments you can stand to earn.

### Enbridge

Enbridge is a top midstream stock on the TSX that keeps raising its dividend each year without fail. At this writing, the company's stock is trading for \$52.53 per share and offering an attractive dividend yield of 6.17%. The company generates stable cash flow, and it is poised to ride on substantial demand for oil and gas transportation in the coming years.

Enbridge is the largest pipeline company in Canada's energy sector. The fact that it does not need to rely on commodity prices [insulates](#) Enbridge from the volatility that other industry giants suffer from. With a price-to-book ratio of just 1.73, Enbridge stock is trading for a discount on the Toronto Stock Exchange.

You can expect ENB stock to see a 10% surge in its dividends in 2020. Investing \$20,000 in the company's stock can see you add \$1,234 in cash to your TFSA through dividends.

### Telus

Telus is an ideal stock if you want to think of a company that you want to buy and hold forever. The company is well managed, it is historically reliable, and it operates in a thriving telecommunications

industry. Investors who have owned Telus stock in the past will tell you it is a fantastic company to consider.

The company's stock is trading for \$50.36 per share at this writing, and it has a dividend yield of a modest but juicy 4.63%. The company's payout ratio is sustainable at almost 77%, and it continues to [increase its dividends](#) every year.

Telus is growing its infrastructure and its customer base. The introduction of its 5G network will present Telus with plenty of opportunity for further growth, making it a top pick for stocks with fantastic long-term prospects.

Investing \$20,000 in the \$30.45 billion market capitalization company and holding its stock in your TFSA can see you earn \$926 per year through its dividends alone.

## Foolish takeaway

The TFSA can help you earn tax-free income through dividends. Reliable and high-quality dividend-paying stocks are recommended to buy and hold in your TFSA. Investing \$20,000 in each Telus and Enbridge stock can see you earn more than \$2,100 per year through dividend income alone. Note that your portfolio should be looked at in total across all your accounts such as your TFSA, RRSP, and non-registered account and should be properly diversified and not just include two stocks.

I think both stocks make excellent options to consider for investors who want to boost their annual income, especially during economic downturns.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TU (TELUS)
3. TSX:ENB (Enbridge Inc.)
4. TSX:T (TELUS)

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## Date

2025/07/25

## Date Created

2020/01/20

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