Make These 2 Savvy Money Moves in 2020

Description

For many Canadians, setting aside money for things that matter is an uphill battle. But with many analysts saying that Canada's stock market is on pace for its biggest gain in a decade, opportunities are knocking.

Improve your financial standing in 2020 by saving as much as you can and creating another income stream from dividend stocks.

Save more whenever possible

The key to your turnaround in 2020 is to save whenever possible. It requires sacrifice, such as putting a stop to chasing temporary pleasures with your money. Defer it in the meantime and concentrate on saving money for investment purposes.

Start allocating 10% of your after tax-income, then gradually increase the amount once you establish the habit. As you accumulate seed capital, arm yourself with the best investment tools like the TFSA or RRSP.

Create multiple income streams

Based on Bloomberg's compilation of the average of estimates by strategists, the **TSX** will be stronger this year. Hence, the forecast of better returns for Canada is the motivation to create a passive income stream on top of your regular income.

Telus (TSX:T)(NYSE:TU), for instance, is a solid choice for income seekers. This $30.74 billion company is one of the three dominant players in Canada's telecommunications industry.

Over the last 16 years, Telus has been showing strong dividend growth, and the company can afford to increase dividend payouts because it generates earnings and revenues consistently. Aside from the wireless industry, Telus is operating in other growth areas like internet and TV television services.

Telus is also actively supporting the country's healthcare sector. It recently launched the Health for Good program in tandem with Sanguen Health Centre.

State-of-the-art mobile clinics in Calgary, Montreal, Ottawa, Vancouver, and Victoria are now operating to provide the urgently needed frontline care in communities.

With the stock's 4.67% dividend yield, 200 shares of Telus or a $10,170 investment can produce an extra $475 in annual income. In the past decade, Telus returned 361.86%.

Transcontinental (TSX:TCL.A) is another dividend stock for consideration. This $1.37 billion company has an 18-year dividend streak. For fiscal 2019, the company reported $3 billion in revenue or a 15.8% increase versus fiscal 2018, the highest revenue thus far in Transcontinental's history.

According to Transcontinental President and CEO François Olivier, last year was the culmination of the company's evolution. The successful integration of the packaging segment with the core printing business should create long-term value. In 2019, the packaging segment was its strongest suit.

The goal of management is for Transcontinental to lead in the creation of a circular economy for plastics. The company believes that flexible packaging will not only protect products and extend shelf life, but is the best solution to reduce food waste globally while improving carbon footprint.

As of this writing, TCL.A is trading at $15.67. For less than $20 per share, you can partake of the stock's 5.65% dividend and ride on the company's growth strategy. Analysts are projecting a potential upside of 72.3% in the next 12 months.

Be prosperous in 2020

Make it your goal to be well off in 2020. Established dividend payers like Telus and Transcontinental should help you generate extra income and realize money growth this year.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)
3. TSX:TCL.A (Transcontinental Inc.)

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Date
2025/08/27
Date Created
2020/01/22
Author
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