



## TFSA Investors: 2 Dividend Stocks Yielding Up to 8.8%

### Description

If you've got a Tax-Free Savings Account (TFSA), then you know how valuable dividend income can be. It's great seeing that cash flow into your portfolio every month or every quarter, boosting up your portfolio's value even as you do nothing. One way to accelerate your portfolio's growth is by ensuring you're investing in [dividend stocks](#) that pay more than just a couple of percentage points.

Otherwise, you'll need a big investment to generate any sort of meaningful returns. Below are two stocks that provide good, strong yields, with the largest one at 8.8%:

**Suncor Energy Inc** ([TSX:SU](#))([NYSE:SU](#)) slashed its dividend payments earlier this year, from \$0.465 to just \$0.21. The move came after the company hiked its dividend payments. However, a cut became necessary as the COVID-19 pandemic and low oil prices left Suncor with little choice but to free up some cash.

But even with quarterly payments of \$0.21, investors today are still earning a decent dividend yield of 3.8%. And with oil prices a lot more stable today than they were months ago, there's hope that the dividend should remain a lot safer at its reduced rate.

The energy giant is still one of the better investments in the oil and gas industry and the stock's now trading below its book value. Suncor's share price has been cut in half this year and outside of 2020, the last time its share price was this low was back in 2009.

It's a [cheap stock](#) to own right now and while now might be a popular time to get into oil and gas, Suncor's business has been resilient over the years, even when oil prices were crashing.

It may be a bit of a contrarian buy, but with the company already slashing its dividend this year, unless things get a whole lot worse, this could make for a strategic investment for both dividend and contrarian investors.

**Sienna Senior Living** ([TSX:SIA](#)) lacks the track record that Suncor has but the company pays investors a terrific dividend today. Its payouts are monthly and at \$0.078, the stock's yielding 8.8% per year. That's a high yield and a big part of the reason for that is the stock's fallen 42% this year.

However, unlike Suncor, Sienna didn't slash its payouts and that's why the yield is as high as it is.

The company runs senior living housing and was dealing with COVID-19 outbreaks at some of its locations, which likely turned investors bearish on the stock. The good news is the company says that as of August 11, there were no longer any active COVID-19 cases at any of its residences.

Although Sienna's financials took a hit during the quarter, its payout ratio stayed below 100%, coming in at 94.4%. While that's a high rate, given the adversity the company faced this past quarter, it's still impressive especially as it's been able to get a handle on things and keep its dividend intact.

With the worst hopefully behind Sienna, now may be a great time for investors to buy the stock before it starts rallying.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SIA (Sienna Senior Living Inc.)
3. TSX:SU (Suncor Energy Inc.)

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