TFSA Investors: 3 Stable Dividend Stocks Yielding Up to 9%

Description

Are you looking for some quality dividend stocks to stash away in your Tax-Free Savings Accounts (TFSA)? Look no further, because the three stocks listed below can provide your portfolio with some terrific recurring revenue with the highest dividend stock paying 9% annually.

Park Lawn

Park Lawn Corporation (TSX:PLC) is a solid recession-proof investment that TFSA investors can hang on to for decades. Although it's by no means a popular place to invest, deathcare products and services will remain in demand regardless of the economic situation. The company's grown significantly over the years from a small business with locations in just Ontario to hundreds of cemeteries and funeral homes across North America. And Park Lawn's still growing. On October 1, the company announced it would be acquiring the assets of British Columbia-based Bowers Funeral Service Ltd.

From just $19 million in revenue in 2013, Park Lawn's sales grew to $244 million in 2019. And while its margins have been typically in the single-digits, the company's consistently reported a profit in each of the past 10 years. In five years, shares of Park Lawn have risen around 150%.

Today, the stock pays its investors a monthly dividend of $0.038, yielding 1.6%. It's a modest payout, the smallest one on this list, but it can still provide investors with some stable, recurring dividend income for many years.

Emera

Emera Inc (TSX:EMA) is another company that's been growing rapidly over the years. In 2013, its sales were $2.2 billion and would end up growing to more than $6.1 billion in 2019. And like Park Lawn, it's had no trouble posting profits during the last decade. For the past two years, its net margin was over 11%.

The energy and services company focuses on offering its customers clean and safe energy that they can rely on. Emera also places a lot of importance on social responsibility. It invested more than $13 million in its communities last year, contributed $4 million to help support COVID-19 relief funds, and nearly 40% of its executives and board directors are women.

Whether you're looking for a good ethical company to invest in or just love a good and stable dividend, Emera's a solid investment in either case. In September, Emera announced it would be increasing its dividend payments and shareholders would now be earning $2.55 per year for each stock of Emera that they own. That's a yield of 4.6%, which is well above Park Lawn's payout.

Extendicare

Extendicare (TSX:EXE) rounds out the last stock on this list. The senior care provider is the riskiest stock on the list because of the challenges nursing homes and retirement living facilities are facing in 2020 amid COVID-19. But as of August 13, the company said that there was just one outbreak among its 69 care homes and retirement communities. In its most recent quarter, the company reported a loss of $4 million — the only time it's been in the red in the last 10 quarters.

Shares of Extendicare are down 37% this year as investors are showing serious concerns about the company's business. And while there's a bit of risk here, the company's operations look to be relatively stable and now could be a great time to buy the stock while it's cheap. Extendicare's monthly dividend payment of $0.04 currently yields 9% per year — the highest payout on this list. Prior to 2020, the last time shares of Extendicare were trading this low was back in 2013.

CATEGORY

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2. TSX:EXE (Extendicare Inc.)
3. TSX:PLC (Park Lawn Corporation)

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Date
2025/06/29
Date Created
2020/10/21
Author
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