TFSA Investors: How to Earn $10 a Day and Sleep Easy at Night!

### Description

Have you ever dreamt of owning a money tree? Well, for Tax-Free Savings Account (TFSA) investors, that dream can be a reality! In fact, that can be a reality for any investor, but why not earn and keep all your investment income and gains by investing through your TFSA? The TFSA is an amazing mechanism for Canadians to shelter their investments and savings, completely tax-free!



## Maximize your TFSA through passive-income investing

Unfortunately, many Canadians end up using their TFSA account as a high-interest savings account. With interest rates at all-time lows, that means their savings are likely only earning between 1% and 1.5%. After inflation, you are essentially losing buying power at that rate.

On the flip side, if you are able to take a little more risk and invest in some high-quality dividend stocks, you are able to yield between 5% and 8% and have potential for capital appreciation as well. The TFSA is great, because it enables investors to keep all their returns and truly compound their wealth over a lifetime.

Do you like the idea of $10 a day in passive income (i.e., a money tree)? Put $30,000 into each of these two TSX stocks, and you could earn more than $10 a day and likely much more as time goes on.

## You aren't going to get a safer "high" yield anywhere else

The first stock that is perfect for earning passive TFSA income is **Enbridge** (TSX:ENB)(NYSE:ENB). It is one of North America's largest energy infrastructure companies. It owns and operates oil pipelines, gas transmission lines, gas distribution and storage assets, and even renewable power projects. The stock has been challenged since the March oil crash, but for shrewd investors, this is a great time to pick up an attractive 8.7% dividend.

Enbridge reported third-quarter earnings today, and it continued to demonstrate resilience, despite the market. GAAP earnings were $0.49 per share versus $0.47 per share in 2019. Adjusted EBITDA and distributable cash flow per share were, however, down marginally by 3% and 0.8%, compared to last year. Yet management continued to affirm its 2020 guidance of $4.50-$4.80 of distributable cash flow per share.

The company continues to make progress on notable projects such as Line 3 and has about 1,000 MW of wind power projects in Europe. All in all, Enbridge appears to be able to continue its goal of generating 5-7% cash flow growth per year for the next few years. Today, Enbridge is cheap and yielding far above its historical average. Buy this TFSA stock now and enjoy the dividends while you wait for a recovery in energy.

## This telco is an ideal TFSA stock

**Telus** (TSX:T)(NYSE:TU) is a solid bet for passive income in your TFSA as well. The company just reported a very strong quarter. Revenues increased by 7.7% year over year to $4 billion. Despite a slight decline in EBITDA from last year, the company made very strong sales progress. It added 277,000 net new customers (a 10% increase from last year), which is one of the best stats amongst peers. Likewise, its smaller growth verticals such as Telus International continued to meaningfully contribute organic and inorganic EBITDA growth.

Telus stock currently yields an attractive 5%; however, the company just raised its dividend this quarter by a whopping 7%! Management affirmed that it will continue to target 7-10% dividend growth through 2022.



With the onset of 5G and other growth opportunities, Telus has a pretty clear sight line to solid free cash flow generation and growth over the next few years. The company continues to be recognized as having one of the fastest networks in the world. Likewise, it has done well to add new customers, and then cross-sell them on a broad range of other services.

If you want passive income, you don’t get much safer or steadier than Telus. All this makes it a great TFSA stock to buy and hold for a very long time!

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