TFSA Investors: 3 Top Dividend Stocks to Boost Your Retirement Income

Description

Wouldn't it be wonderful if your pension income doubles from today? No, I don't have any magic wand or a secret formula for it. But you can certainly increase your retirement income, double or even triple it, if you give enough time to grow your investments.

The Canada Revenue Agency will tax you irrespective of how you earn your fortune. But, the Tax-Free Savings Account (TFSA) is one useful option Canadians have where your wealth can grow tax-free. You can use the TFSA to accomplish your financial goals like travelling the world or buying a house.

So, an organized investment in your TFSA regularly will create a huge, tax-free retirement reserve over the long term.

Here are three TSX stocks that have steadily increased their dividends.

Bank of Nova Scotia

The country's third-biggest bank, **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS), is the highest-yielding bank stock on the TSX. It yields 5.3%, higher than the TSX stocks on average.

If you invested $500 per month in BNS stock since 2000, you would be sitting on a reserve of $363,785 today. The reserve would be making $18,190 in dividends annually. That's more than $1,500 a month.

Bank of Nova Scotia stock unarguably underperformed last year, because of its large exposure to South America. However, with the vaccine's advent, the stock has soared almost 30% since November 2020. Interestingly, the same South American exposure could be its growth engine in the post-pandemic environment.

The bank set aside billions of dollars last year for the loans that can go bad amid the pandemic. Thus, its 2021 financial performance will likely be better than last year, which could push its stock higher.

Canadian Natural Resources

If you have been avoiding the energy sector investments for the last few years, you are not alone. But the year 2021 could be different. With crude oil plunging deeply negative and a large demand drop last year, the worst seems to be over for the oil and gas space.

Long-term investors can consider the Canadian energy giant **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ). It was among the very few oil companies that increased dividends last year as well amid the pandemic. It currently yields almost 6%.

If you invested $500 monthly in CNQ stock for the last two decades, you would have made $432,314 today. And the reserve would be making $2,161 in dividends per month.

CNQ is a low-cost integrated energy company that has a diversified product base of natural gas, light and heavy crude oil, and natural gas liquids. It also has a strong liquidity position, which will continue to help it weather through tough times.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is the top Canadian utility stock that offers a 4% yield. Utilities are comparatively safer investments because of their highly regulated and recession-proof operations.

Algonquin has been a long-term outperformer among peer utility stocks. A $500 monthly investment in AQN stock since 2000 would be worth $485,000 today. The same reserve would be making $1,618 in dividends monthly.

Low interest rates and expected higher volatility in broader markets could be a productive combination for utilities in 2021. The classic defensive nature and steadily growing dividends make Algonquin stock stand tall in the current scenario.

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:CNQ (Canadian Natural Resources)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BNS (Bank Of Nova Scotia)

6. TSX:CNQ (Canadian Natural Resources Limited)

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Date
2025/08/11
Date Created
2021/01/08
Author
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