



## TFSA Investors: 2 Top Dividend Stocks to Buy Right Now

### Description

Income investors tend to favour a portfolio of dividend stocks, because reliable dividend payers can outperform broader markets in the long run. Investing in enough shares of dividend-paying companies can help you create a stable passive-income stream that could offer a substantial boost to your active income during challenging economic situations.

Buying and holding a portfolio of [dividend stocks](#) in your Tax-Free Savings Account (TFSA) can let you use all that passive income without incurring any taxes on your TFSA earnings. I will discuss three top dividend stocks that you could consider for your TFSA portfolio today.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is the pinnacle for dividend stocks if you seek stability and growing earnings. Fortis is one of the most stable companies on the TSX when it comes to its earnings and increasing dividends to shareholders.

The company generates almost its entire revenues from rate-regulated and contracted operations. Its predictable earnings have allowed Fortis to continue increasing its dividends to shareholders for almost 50 years. The company's services are essential to every industry. It means that Fortis can continue generating predictable cash flows, even during the most turbulent market conditions.

At writing, Fortis is trading for \$54.99 per share, and it boasts a juicy 3.67% dividend yield at writing. Its dividend yield could provide you with annual returns of \$367 for a \$10,000 investment in the stock.

### Toronto-Dominion Bank

If you are looking for reliable dividend stocks trading on the TSX, it will make sense to place your bets on a stock from the Canadian banking sector. Financial services institutions like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) are some of the most attractive bets for Canadian investors seeking growth and stable dividend income.

At writing, TD Bank is trading for \$84.14 per share, and it sports an even juicer 3.76% dividend yield. The Canadian financial institution also has significant operations in the U.S., making its revenue streams more diverse than the peers that focus primarily on the domestic market. Its exposure to the U.S. market will also likely act as a catalyst for its growth as the U.S. economy recovers after the pandemic.

The company's superior credit quality and loan-loss reserves could also contribute to the bank's [long-term success](#). The stock has a dividend-paying streak of well over a century. Investors who want to create a stable and long-term passive-income stream in their TFSAs might love adding TD Bank to their investment portfolio. A \$10,000 investment in its shares could provide you with \$376 in annual returns through dividends alone.

## Foolish takeaway

Creating a robust TFSA portfolio that delivers substantial returns through capital gains and dividends is a matter of choosing income-generating assets with a history of providing investors with reliable dividend payouts.

Fortis and TD Bank fit the bill for ideal foundations in a strong TFSA portfolio.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FTS (Fortis Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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