2 TSX Stocks That Can Help You Retire Early

Description

The global pandemic changed everything about our lives, from our shopping habits to our professional landscape, education, and healthcare. Many Canadians had to completely rethink their retirement due to the fallout from COVID-19, especially Canadians who were planning on retiring early.

According to the results of a survey by Age Wave, more than half of Canadians were sure that they would take the retirement exit before the pandemic. The challenges brought on by COVID-19 were adverse. However, it might still be possible to move forward with your plans for early retirement. If you have been racking up your savings, now would be an ideal time to create an income stream that can serve as a supplement to pension income.

Today I will discuss two income-generating assets that you can buy and hold in your Tax-Free Savings Account (TFSA) to create a tax-free passive income stream in your TFSA.

Scotiabank

The **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is one of the best Canadian stocks that you could consider adding to your portfolio. The bank's impressive dividend track record spans over 100 years. Dividend investors always consider long-term dividend income as an ideal aspect for any asset they are adding to their portfolios, and Scotiabank is one of the most resilient stocks to consider for this purpose.

The stock has delivered steady dividend growth for several decades while maintaining a decent and conservative payout ratio. The stock's total return over the last two decades is over 700%. The bank's strong international presence and extensive domestic banking operations have helped it maintain a robust position in the financial industry.

Scotiabank managed to ride out the wave when the 2008 financial crisis hit global economies and has proven its resilience through the pandemic. Trading for $80.62 per share, Scotiabank boasts a juicy 4.47% dividend yield that would be ideal for your early retirement plans.

Keyera

Keyera (TSX:KEY) is another excellent stock to consider adding to your portfolio if you are looking for a stock to further your early retirement plans. The energy sector had an incredibly volatile year in 2020 but has been outperforming the **TSX** on a year-to-date basis in 2021. The changing trend for the energy sector is painting a pretty picture for Keyera stock.

The company's excellent performance this year is evidenced by its 46% year-to-date gains at writing. If you were to invest in the stock right now, you could lock in its juicy 5.76% dividend yield to enjoy substantial dividend income in your TFSA portfolio. Keyera offers its investors exposure to a wealth of midstream services, and it has several projects serving as growth drivers for the company.

Keyera has everything it needs to maintain its impressive track record for providing its investors with income and delivering robust long-term growth. The company has been growing its dividend payouts for 18 years and looks well-positioned to continue increasing its dividend payouts.

Foolish takeaway

Canadians who were forced to dig into their savings and have inadequate retirement savings might have to delay their retirement. Some Canadians close to retirement might even consider delaying taking their pensions until 70 so that they can receive higher benefits.

However, if you have investment income saved up from several decades, retiring early is still possible. Keyera and Scotiabank could be excellent foundations for such a TFSA portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:KEY (Keyera Corp.)

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