TFSA Investors: These 3 Dividend Stocks Will Help You Earn $375/Month

Description

TFSAs are an excellent choice for investors, as contributions, such as interest earned, dividends, and capital gains on a certain amount called contribution room, are not taxed. The Canadian government had started this initiative in 2009 to encourage its citizens to save more. Meanwhile, the Canadian Revenue Agency (CRA) has fixed the contribution room for this year at $6,000, while the cumulative contribution room stands at $75,500. If you invest this amount in dividend stocks with an above 6% yield, then you can earn over $375 per month. So, if you are ready, here are three top Canadian stocks that pay dividends above 6%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB), a midstream energy infrastructure company, is my first pick. It has rewarded its shareholders through a dividend for the last 66 straight years while raising it for the previous 26 years at a CAGR of 10%. The company operates 40 diversified revenue streams, with around 98% of its cash flows generated from regulated assets or long-term contracts, providing stability to its cash flows. These robust cash flows have allowed the company to pay its dividend consistently. Currently, the company pays a quarterly dividend of $0.835 per share, with its forward dividend yield standing at 6.66%.

Enbridge has planned to invest around $17 billion over the next two years, expanding its regulated assets. It is also strengthening its renewable assets, with its power-generating capacity could reach 8.4 gigawatts in the next few years. Apart from these initiatives, the rise in oil demand could increase its throughput, driving its financials in the coming quarters.

So, given its solid track record, healthy growth prospects, and stable cash flows, Enbridge would be an excellent buy for income-seeking investors.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA) would be another excellent dividend stock to have in your portfolio amid rising oil demand and prices, healthy cash flows, and juicy dividend yield. Rising oil prices could improve its marketing and new venture segment's performance, while higher demand could increase its asset utilization rate.

The company is working on acquiring **Inter Pipeline**. The merger offers expansion opportunities while delivering significant savings due to the synergies between the two companies. So, the management expects the merger to increase its dividend by $0.01 per share.

Pembina Pipeline has been paying dividends uninterruptedly since 1997, with its forward dividend yield standing at 6.36%. Given its healthy growth prospects and strong liquidity of $2 billion, I believe its dividend is safe.

NorthWest Healthcare

NorthWest Healthcare Properties REIT (TSX:NWH.UN) could also be an excellent choice for TFSA investors, as the company pays a monthly dividend of $0.0667, with its forward dividend yield standing 6.19%. The company operates diverse healthcare properties across seven countries. Given its resilient portfolio and long-term agreements with its tenants, the company enjoys a high occupancy rate of 97%. Its collection rate is at over 98%, thanks to its government-backed tenants.

Meanwhile, the company had raised over $200 million last month. The company plans to utilize the proceeds to expand its portfolio in Europe and Australia. Currently, it is working on acquiring the Australian Unity Healthcare Property Trust, which operates various healthcare properties with a weighted average lease expiry of 16 years. These acquisitions could boost its cash flows, allowing the company to continue paying its dividend at a healthier rate.

CATEGORY

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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