



## TFSA Investors: 2 Monthly Dividend Stocks to Buy Today

### Description

The Tax-Free Savings Account (TFSA) has become increasingly popular as an investment vehicle for Canadians who want to meet various short- and long-term financial goals. One of the best ways to capitalize on [TFSA investing](#) is to use the available contribution room to buy and hold income-generating assets.

Many new investors enter the stock market world thinking of big names that can provide them with significant capital gains in a short amount of time. That is an understandable approach considering how well some of the top TSX stocks have performed in recent years. However, this approach to investing in the stock market is riskier in the long run, because your investments could see reduced gains or none at all at one point.

It is crucial to balance your TFSA portfolio with [income-generating stocks](#) that can provide you with consistent returns. Income-seeking investors looking for assets that can offer them monthly shareholder dividends might want to consider the two TSX stocks I will discuss today.

### Pizza Pizza Royalty

**Pizza Pizza Royalty** ([TSX:PZA](#)) stock is not a very typical name you might expect to see when discussing monthly dividend-paying stocks. Pizza Pizza is a franchised Canadian pizza quick-service restaurant headquartered in Toronto. The \$287.54 million market capitalization company earns revenues through royalties on all the sales from its locations throughout the country.

The company consistently generates cash flows through royalties and has few expenses to contend with, earning significant revenues. Its management can comfortably afford to pay out most of its revenues through monthly shareholder dividends.

At writing, Pizza Pizza stock is trading for \$11.68 per share, and it boasts a juicy 6.16% dividend yield that you could lock into your portfolio today.

## Northland Power

**Northland Power** ([TSX:NPI](#)) stock is an excellent asset to consider if you want to bank on the growing global shift towards a greener future. The \$8.52 billion market capitalization company is a power producer that became a publicly listed company in 1997. Northland Power develops, builds, owns, and operates an internationally diversified portfolio of clean and green energy assets.

The growing demand for green energy will likely continue to benefit Northland Power stock in the coming decades. Investing in its shares could provide you with shareholder returns through capital gains, as it performs better on the stock market. You can also earn a significant passive income through its monthly shareholder dividends in the meanwhile.

At writing, Northland Power stock is trading for \$37.62 per share, and it boasts a juicy 3.19% dividend yield.

## Foolish takeaway

Most dividend stocks on the TSX provide you with shareholder dividends each quarter, but some dividend-paying companies cut you a check every month. Using the free contribution room in your TFSA to hold dividend stocks can help you [generate tax-free passive revenues](#).

You could use the additional cash in your TFSA to supplement your active income or reinvest the shareholder dividends to unlock the power of compounding and accelerate your wealth growth. Reinvesting dividends in your TFSA can help you grow your TFSA portfolio without worrying about overcontributing to your account.

Pizza Pizza Royalty stock and Northland Power stock could be ideal monthly dividend stocks that you could consider for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

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