



## \$81,500 TFSA in 2022: Here Are 3 Stocks to Buy With it

### Description

Canadians should maximize or use their Tax-Free Savings Account (TFSA) more next year because it's tied to inflation. While the new \$6,000 annual TFSA dollar limit is the same as in 2019, 2020, and 2021, the amount is still indexed to inflation. For those 18 years old in 2009, but haven't opened one yet, the accumulated contribution room in 2022 is \$81,500.

Most TFSA users prefer dividend stocks over other eligible investments because of higher returns. Also, [dividend investing](#) is a proven way to lessen inflation's impact on purchasing power. Using your available TFSA contribution room to invest in stocks that pay a 4% dividend, at least, can help you [cope with inflation](#).

Let's assume your available contribution room is the max, and you have the means to contribute \$81,500. The money can generate \$815 in quarterly tax-free income. If you utilize the new \$6,000 limit, the \$60 you'll earn every quarter is tax-exempt too.

### Progressive dividend increases

**Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) attracts [income investors](#) because of its progressive dividend increases. On November 3, 2021, management didn't wait for 2022 and instead announced an 18% dividend increase effective this month. In the nine months ended September 30, 2021, the \$45.73 billion insurer and financial services provider reported a 19.4% growth in core earnings versus the same period in 2021.

Roy Gori, Manulife's president and CEO, said, "We delivered core earnings growth of 10% and solid net income of \$1.6 billion in Q3 2021." Its CFO, Phil Witherington, added that its Asia segment generated double-digit NBV (new business value) growth despite the challenging environment. Manulife's Global WAM (wealth & asset management) had \$9.8 billion in net inflows during the quarter.

The insurance stock trades at \$23.54 per share (+8.93%) and pays a 4.69% dividend if you invest today.

## Legacy business and captured markets

The **North West Company** ([TSX:NWC](#)) dominates the far flung rural communities and hard-to-reach urban neighbourhoods in Canada, Alaska, the South Pacific, and the Caribbean. In Q3 fiscal 2021 (quarter ended October 31, 2021), net earnings increased 8.9% and 57.6% versus Q3 fiscal 2020 and Q3 fiscal 2019, respectively.

Performance wise, the consumer-defensive stock is up 12.44% year to date. At \$35.36 per share, the dividend yield is 4.9%. NWC raised its dividend by 2.3% in October 2021. In 31.24 years, the total return is 61,388.06% (22.82% CAGR). Its president and CEO Dan McConnell said it had another strong quarter, particularly considering the extraordinary pandemic-related same-store sales.

## Long-life assets

The clean energy revolution should accelerate in 2022 and presents an opportunity for TFSA investors to engage in socially responsible investing. Take for instance **Innergex Renewable Energy** ([TSX:INE](#)). This \$3.44 billion company owns and operates quality, long-life renewable assets such as hydroelectric, solar & wind farms, and energy storage facilities.

According to Michel Letellier, Innergex's president and CEO, the independent renewable power producer has a stronger foothold in the attractive New York renewables. Management recently completed its first acquisition under the Strategic Alliance with Hydro Québec. The green stock trades at a discount (\$17.88 per share) and offers a decent 4.03% dividend.

## Hedge against inflation

Remember, rising inflation will erode the value of your dollar next year. You can hedge against inflation through dividend investing and earning tax-free income from your TFSA.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:INE (Innergex Renewable Energy Inc.)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:NWC (The North West Company Inc.)

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