3 Dividend Stocks Every TFSA Investor Needs

Description

The Tax-Free Savings Account (TFSA) has to be one of the best, if not *the* best, savings accounts for dividend stocks. Not only are you able to invest in strong companies, but you can bring in extra cash each quarter and sometimes each month tax free.

But that doesn't make your decision an easy one. There are so many great dividend stocks out there. But the key is finding the ones that will provide long term, stable income.

So, today, I'm going to look at the top three dividend stocks I'd recommend for absolutely anyone's TFSA.

Nutrien

Nutrien (TSX:NTR)(NYSE:NTR) may not be the oldest of the dividend stocks, but it's certainly one of the strongest. Nutrien cornered the market of crop nutrients, becoming the world's largest producer. This has been done through the oldest game in the book: acquisitions.

But during the pandemic, dividend stocks like Nutrien found more opportunity through its e-commerce arm. In fact, Nutrien managed to deliver record earnings during its latest quarter, increasing its full-year guidance in the process. And as the world continues to fight for arable land, Nutrien will continue to be a strong contender for one of the top dividend stocks to own.

Motley Fool investors can pick up Nutrien, as it trades at a stable 18 times earnings. It offers a 2.37% dividend yield, or $2.32 per share per year.

CIBC

One of the top dividend stocks to own offers the highest of the dividend yield among the Big Six banks. The banking sector is always a strong one to have in your TFSA portfolio. But if you want dividends, then **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) is the one you want.

CIBC has long been the highest dividend among the batch. But it's also been shaking things up lately, changing its logo for the first time in over two decades. It's also eyeing the future, putting aside $100 million towards climate tech and energy transition funds. It's managed to do quite well, even when the Canadian economy has been down, especially with housing remain so strong.

CIBC is one of the dividend stocks Motley Fool investors would do well to add to their long-term TFSA portfolio. That's especially as it offers a 4% dividend yield of $6.44 per share per year and trades at a valuable 11.7 times earnings.

CP Rail

Although **Canadian Pacific Railway** (TSX:CP)(NYSE:CP) doesn't have the highest yield out there, it certainly is a strong choice for your TFSA. CP has grown its dividend year after year, demonstrating how far it's come since 2012. It took its spending in hand and recently put it to good work by buying up **Kansas City Southern Railway**.

CP now boasts being the largest railway in North America. While it has a debt to pay, it has the funds to meet expectations. Further, it will see revenue skyrocket, as it now has more access to oil and agriculture. Long-term investors will certainly benefit from having these kind of dividend stocks in their TFSAs. And CP is one of my top choices.

CP currently trades at 20.63 times earnings and offers a 0.80% dividend yield. So, yes, it's not that large. But it's stable, with income coming in for decades and planned for decades more. That's something Motley Fool investors can take to the bank again and again.

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alegatewolfe