



TFSA Passive Income: 2 Top High-Yield Dividend Stocks to Own for Decades

Description

Retirees and other [TFSA](#) investors who rely on steady passive income from their savings are searching for top high-yield dividend stocks to add to their portfolios.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) operates more than \$100 billion in energy infrastructure and power-generation assets in Canada, the United States, and Mexico. The core business centres around natural gas transmission with 93,300 km of pipelines and 650 billion cubic feet of storage. TC Energy also has 4,900 km of oil pipelines and 4,300 megawatts of electricity production capacity.

The company is working on a \$24 billion capital program that will drive steady revenue and cash flow growth through 2026. EBITDA is expected to increase by 5% per year over that timeframe, and the board intends to raise the dividend by 3-5% annually. TC Energy raised the quarterly dividend by 3.4% to \$0.90 per share for 2022.

Demand for North American natural gas is expected to increase in the coming years. Europe wants to diversify its suppliers to reduce its reliance on Russia. At the same time, many Asian countries are switching from oil and coal to natural gas to produce electricity. This bodes well for TC Energy, as it has the infrastructure and expertise to move natural gas from producers to liquified natural gas (LNG) facilities for shipment to international buyers.

The stock is up nearly 20% in 2022 but still trades well below the pre-pandemic level. Investors who buy near the current price of \$71 per share can pick up a solid 5% dividend yield and look forward to steady distribution growth in the coming years.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) delivered strong results in 2021, and the outlook for this year is positive as well. Canada's largest communications provider recovered to 99% of its pre-pandemic revenue and

adjusted EBITDA in 2021, as the media business saw advertisers start to spend again and the wireless and wireline divisions added new customers at a healthy clip.

On the growth side, BCE spent \$2 billion on new spectrum in 2021 to ramp up the expansion of its [5G](#) network. BCE also connected 1.1 million direct fibre and wireless home internet services in 2021. The 2022 capital plan includes another 900,000 home and business direct fibre connections, and the extension of the reach of the 5G network that already covers more than 70% of the Canadian population.

BCE raised its dividend by 5.1% for 2022. The new quarterly payout of \$0.92 per share provides an annualized yield of 5.3% at the current share price. The company is targeting adjusted EBITDA growth of 2-5% and free cash flow growth of 2-10% for 2022, so investors should see another solid dividend hike next year.

The bottom line on top high-yield stocks

TC Energy and BCE are leaders in their respective [sectors](#) and have long track records of providing income investors with steady distribution growth. If you have some cash to put to work in a TFSA focused on passive income, these high-yield stocks deserve to be on your radar.

CATEGORY

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aswalker

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