



TFSA Investors: 3 Dividend Stocks That Could Boost Your Passive Income

Description

If you're taking advantage of a TFSA, then you should already be on your way to financial independence. [Investing in a TFSA](#) is beneficial, because it allows investors to generate gains and income without having to pay taxes at a later date. These tax breaks can help you create a massive source of passive income over time, allowing you to supplement or even replace your primary source of income.

In this article, I'll discuss three dividend stocks that could boost your passive income in a TFSA.

More than meets the eye

When investors talk about **Telus** ([TSX:T](#))([NYSE:TU](#)), it's usually in the context of a telecommunications company. That comes with good reason. Telus operates the largest telecom network in Canada. Its network covers 99% of the Canadian population. However, there's so much more to Telus's business than the telecom side of things. Its [telehealth segment](#) could be a major catalyst of growth over the coming years.

In terms of being a dividend stock, Telus would be an excellent addition to your portfolio. The company has managed to increase its dividend in each of the past 17 years. That puts it among the elite on the list of Canadian Dividend Aristocrats. Telus stock also offers investors a forward dividend yield of 3.35%. Generally, I suggest that investors look for dividend stocks that pay a forward yield of anywhere from 3% to 5% for sustainable growth over time.

Invest in the banks

If you live in Canada, you should be very familiar with the Big Five banks. In fact, there's a very good chance that you use one of these companies for your own financial needs. The Big Five have established very strong moats, giving them a formidable position atop of the Canadian financial sector. I believe Canadians could do well investing in the company they're most familiar with, since the stock of all five banks seem to move similarly over time.

If I had to choose, I would go with **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). What separates it from its peers is its focus on international expansion. In terms of being a dividend stock for your portfolio, Bank of Nova Scotia would be a great choice. The company has paid investors a dividend for the past 189 years. Bank of Nova Scotia has also recently increased its dividend to shareholders. This year, the company's dividend was boosted by 11% compared to last year's distribution. This stock offers a forward dividend yield of 4.87%.

One of the best dividend stocks around

When it comes to Canadian dividend stocks, few companies are able to compare to **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). One of the strongest dividend stocks around, Fortis has managed to increase its distribution in each of the past 47 years. That represents the second longest dividend-growth streak in the country. A large utility company relied upon by customers across Canada, the United States, and the Caribbean, Fortis should find a home in your portfolio.

The company offers investors a forward dividend yield of 3.35%. Although its dividend-payout ratio is quite high (80.31%), this company's long history of intelligent capital allocation should ease the minds of investors.

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