



## TFSA Passive-Income Alert: 2 Cheap Stocks With High Yields and Growing Dividends

### Description

Investors seeking reliable passive income for their [TFSA](#) portfolios finally have a chance to buy top TSX dividend stocks at cheap prices while getting growing payouts.

### Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) delivered its best Q1 in the company's history with total mobile and fixed-line customer growth of 148,000. Adjusted EBITDA increased by 7% to more than \$1.6 billion in the quarter compared to the same period last year. Net income grew 21% and basic earnings per share rose 12%.

Looking ahead, management expects adjusted EBITDA growth to be 8-10% in 2022. Free cash flow is targeted at \$1 billion to \$1.2 billion for the year. The company is nearing the end of its copper-to-fibre transition. This should free up more cash for investors in the next few years, as capital expenditures drop to a lower base level.

Telus just raised the dividend again and continues its streak two hikes per year. The company expects to deliver total annual dividend increases of 7-10% through at least 2025. That's good guidance for income investors who need to have reliable and rising payouts from their TFSA portfolios.

Telus stock is down to \$31.25 per share at the time of writing from the 2022 high above \$34.50. At the current price, investors can pick up a decent 4.3% dividend yield and look forward to steady payout gains in the coming years.

### Sun Life

**Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) reported steady Q1 2022 results amid challenging conditions due to the COVID-19 pandemic. The Omicron wave hit the U.S. and Asia operations with higher morbidity and mortality claims and reduced sales.

Despite the rough period, underlying net income only slipped 1% compared to the same period last year. On the positive side, insurance sales rose and assets under management increased compared to the first three months of 2021.

Sun Life provides individual and group insurance, wealth management, and assets management products to clients in Canada, the U.S., and Asia.

Management has a positive outlook for revenue and profit growth and is giving investors more money as a result. The board just announced a 4.5% dividend increase. This is on top of the 20% increase investors received at the end of 2021. The new quarterly payout of \$0.69 per share provides an annualized yield of 4.45% at the current share price near \$62. Sun Life traded as high as \$74 in February, so investors have a chance to buy the stock on a nice dip.

The COVID-19 challenges should dissipate through the rest of this year, and Sun Life's results in coming quarters should be solid. Looking ahead, the company's strong position in several markets in Asia positions Sun Life for good long-term growth, as the middle class expands in highly populated countries.

## The bottom line on top stocks to buy for passive income

Telus and Sun Life are top Canadian dividend stocks with decent track records of dividend growth. The shares appear cheap at current prices and should be on your radar for a self-directed TFSA portfolio focused on steady passive income.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:TU (TELUS)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:T (TELUS)

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**Author**

aswalker

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