TFSA Investors: Boost Your Income With These 3 Dividend Stocks

Description

Investing in a Tax-Free Savings Account (or TFSA) can be a great way to improve your finances. This is because any returns generated in one of these accounts can be withdrawn tax free. By taking advantage of that over the long run, investors could potentially snowball their accounts much faster than they'd be able to do in a taxable account. In this article, I'll discuss three stocks that could help you boost your income using a TFSA.

A relatively overlooked company

When investors gather around to talk about their favourite companies, it's very unlikely that anyone ever mentions **Alimentation Couche-Tard** (TSX:ATD). However, I think more investors should start paying attention to this company. It operates more than 14,000 locations across 24 countries. You may recognize it for its Mac's and Alimentation Couche-Tard stores; however, this company also operates under many other banners. This includes Daisy Mart, On the Run, Circle K, and many more.

Over the past five years, Alimentation Couche-Tard's dividend has grown from $0.045 per share to $0.11 per share. Although that's a relatively small dividend, its growth is tremendous (CAGR of 19.6%). If we use a conservative growth rate of 10% from here, investors could be looking at a quarterly dividend of $0.18 per share in five years' time. With a payout ratio of only 12%, investors could expect to see this company continue to comfortably increase its dividend in the coming years.

One of the fastest growing dividends around

goeasy (TSX:GSY) is a dividend company that all TFSA investors should consider holding in their portfolios. If you're solely interested in dividend growth, then there are few companies better. Over the past eight years, goeasy has grown its dividend at a CAGR of 34.5%. That greatly outpaces the inflation rate.

For those that are unfamiliar, goeasy operates two distinct business lines. The first of these is easyfinancial, which provides high-interest loans to subprime borrowers. It also operates easyhome, which sells furniture and other home goods on a rent-to-own basis. In an economy where consumers are looking for ways to improve their finances, goeasy's business looks increasingly attractive.

Dividend excellence

When it comes to dividend investing in Canada, there's one company that should appear on your radar every time. That's **Fortis** (TSX:FTS)(NYSE:FTS). It seems like an "easy answer" to give someone if you're asked to recommend a solid dividend stock. However, that comes with good reason. Fortis currently holds a 47-year dividend-growth streak. That gives it the second-longest active dividend-growth streak in Canada.

Fortis may be able to increase its dividend so consistently due to the nature of its business. It provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. For the most part, that business model provides Fortis with a stable and predictable source of revenue. In turn, that allows the company to consistently prepare for each dividend distribution and allow for increases every year.

CATEGORY

1. Investing

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2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:GSY (goeasy Ltd.)

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