TFSA Investors: 3 TSX Dividend Stocks to Boost Your Passive Income

Description

In my opinion, every investor should make use of a Tax-Free Savings Account (TFSA). In fact, I think it should be the first account that every investor should max out. This is because all returns generated in a TFSA are eligible to be withdrawn tax free. If you invest in dividend stocks, this could allow you to boost your annual income without having to worry about paying additional taxes. In this article, I'll discuss three **TSX** dividend stocks that investors should buy to boost their passive income.

Start with the best

When investing in dividend stocks, **Fortis** (TSX:FTS)(NYSE:FTS) should be one of the first companies you should think of. It provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. Due to the nature of its business, Fortis tends to receive revenue on a recurring basis. This helps make it resistant to recession, as customers will continue to pay for utilities on a consistent basis regardless of what the economy looks like.

In terms of its dividend, Fortis is known as a Canadian Dividend Aristocrat. However, its dividend-growth streak is much longer than the five years needed for a company to earn that title. In fact, its 47 straight years of raising dividends is the second-longest active dividend-growth streak in the country.

Invest in this massive company

Canadian National Railway (TSX:CNR)(NYSE:CNI) is another excellent company that dividend investors should consider buying in a TFSA. I believe this is a great stock for your portfolio because of the importance of the railway industry. Currently, there isn't a viable way to transport large amounts of goods over long distances if not via rail. In addition, Canadian National is by far the largest railway company in Canada. It operates nearly 33,000 km of track, spanning from British Columbia to Nova Scotia.

Like Fortis, Canadian National is listed as a Canadian Dividend Aristocrat. It has increased its dividend distribution in each of the past 25 years. That makes it one of only 11 TSX-listed companies to achieve that milestone. Canadian National doesn't offer investors a very high dividend yield (2.02%). However, if you're looking for a reliable dividend, then you can't go wrong here.

This stock's dividend growth is remarkable

Finally, investors should consider buying shares of **goeasy** (TSX:GSY). This company is quite polarizing, since there are some individuals that don't like its business. goeasy provides high-interest loans to subprime borrowers. It also sells furniture and other home goods on a rent-to-own basis. One thing that investors can't deny is that goeasy's business has been very successful over the past few years.

Looking at its dividend, investors may be surprised to learn that it offers one of the fastest-growing dividends around. Over the past eight years, goeasy's dividend has grown at a CAGR of more than 34%. That greatly outpaces the inflation rate, even in a year like 2022 where inflation has run rampant. Offering investors a quarterly dividend of $0.91 per share, this stock is about as nice as it gets.

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2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)
5. TSX:GSY (goeasy Ltd.)

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jedlloren