



## TFSA Passive Income: 1 Top TSX Dividend Stock for Retirees to Buy Now and Own for 30 Years

### Description

Canadian retirees are searching for ways to get steady tax-free passive income from their savings. One popular [investing](#) strategy involves owning top dividend-growth stocks inside a [TFSA](#). All the dividends and capital gains remain beyond the reach of the Canada Revenue Agency (CRA), and the income from the TFSA won't bump you into a higher tax bracket or put Old Age Security pension payments at risk of a clawback.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has a [market capitalization](#) of \$114 billion. The firm is a leader in the North American energy infrastructure industry with oil pipelines, natural gas pipelines, natural gas storage, natural gas utilities, and an oil export terminal. Enbridge also has renewable energy assets including solar, wind, and geothermal sites to round out the portfolio.

Future growth lies in export opportunities and the global focus on reducing carbon emissions. Enbridge is investing in a liquified natural gas (LNG) facility in British Columbia by taking a 30% stake in the \$5.1 billion Woodfibre project. International demand for Canadian and U.S. energy is increasing due to the war in Ukraine. Europe wants to secure reliable oil, gas, and hydrogen supplies in an effort to end its reliance on Russia for its fuel. At the same time, power producers around the globe are searching for North American LNG to replace coal and oil, as they shift to lower emission electricity production.

At home, Enbridge is using its energy infrastructure and storage expertise to capitalize on rising demand for hydrogen and carbon-sequestration facilities.

Enbridge generated solid results in the first half of 2022. Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) came in at \$7.86 billion compared to \$7.05 billion the same period last year. Enbridge has a \$13 billion capital program on the go that should drive revenue and cash flow growth. The company is also large enough to make significant acquisitions to complement the development projects.

## Dividends

Enbridge has increased the dividend in each of the past 27 years. That's a great track record for investors who are concerned about the risks of a recession in the next 12-24 months. Annual dividend growth should continue in the 3-5% range, supported by rising distributable cash flow.

At the time of writing, Enbridge trades near \$56.50 per share. That's down from the June high around \$59.50. Investors who buy at the current price can pick up a solid 6% dividend yield.

Enbridge is a good stock to buy today if you want to have exposure to the rebound in the oil and gas sector but do not want to take on the direct commodity risks that come with owning the producers. Enbridge effectively acts as a toll booth, charging a fee for moving the products from producers to refineries, storage sites, or power producers. Changes in the prices of oil and natural gas have a limited direct impact on revenue.

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

Enbridge is a great example of a stock that offer a high yield with a great track record of dividend growth supported by rising revenue and higher earnings. If you have some cash to put to work in a TFSA focused on passive income, this stock deserves to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

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