



2 Stocks I'd Buy With a \$6,500 TFSA Contribution

Description

Economists continue to state that the Canadian economy is in for a rocky year. Inflation is falling, interest rates will eventually come with it, but Canadians are still going to see a tough time. And that economic backdrop directly impacts how Canadians invest, especially in terms of their Tax-Free Savings Account (TFSA).

Why the TFSA?

The reason it might be hard for Canadians to consider investing in their TFSA is that they want to have cash on hand during an emergency. This is definitely still something to consider, and certainly a goal to go over with your financial advisor.

However, remember that you are able to take out as much from your TFSA as you want, at any time. If you want to clear out the whole thing this afternoon, you can! The only issue is that you then have a limit on how much you can contribute after that. So make sure to call the Canada Revenue Agency (CRA) before putting cash back in.

This is all to say that if you have \$6,500 on hand you want to keep available, you can still invest it in your TFSA and have the option to take it out during an emergency. Or whatever the next year throws at you. With that in mind, here are the two stocks I'd consider for your TFSA.

A passive income player

First of all, during a recession you're going to want to create some income. I would therefore look for companies that have a strong history of passive income payments. And it doesn't get much better right now than investing in **Fiera Capital** ([TSX:FSZ](#)).

Fiera stock is perfect for your TFSA during a recession. It offers an ultra-high dividend yield at 9.71% as of writing, which comes out each and every month. So you can consistently see growth in your TFSA, even if shares don't do anything.

Plus, Fiera stock is cheap. It trades at 16.9 times earnings, with shares still down about 4.5% in the last year alone. So you can lock up monthly income to grow your TFSA, knowing you'll create cash flow to access at any time.

Get some growth

Just because there's bound to be a recession this year, doesn't mean you should plan to be in a recession forever. There are growth stocks that are perfect to consider for your TFSA right now. Ones you want to hold onto for years to see immense growth.

One of the best growth stocks I would consider today that's ultra-valuable is **goeasy** ([TSX:GSY](#)). Goeasy stock is a tech company, sure, but it's been around since 1990! It's grown its offerings since then, moving from leasing home appliances to offering every type of loan imaginable. And the lender has seen record loan growth even this year!

When the recession ends, goeasy stock has proven it can stand the test of time and is likely to shoot back up. Shares trade at just 12.2 times earnings as of writing, and there's even a dividend yield at 3.11%. And with shares down 28% in the last year, it's a great time to buy anticipating a complete rebound in the years to come.

CATEGORY

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2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)
2. TSX:GSY (goeasy Ltd.)

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