



TFSA: How to Invest \$6,500 for Reliable Passive Income in 2023

Description

It's a new year, and TFSA (Tax-Free Savings Account) investors get to add a fresh load of new capital to their accounts. Given how inflation has been soaring, the Canada Revenue Agency has allowed Canadians to add \$6,500 to the TFSA in 2023.

That was a nice \$500 increase (or 8% increase) from last year. Today, Canadians that were 18 years or older in 2009 can contribute a grand combined total of \$88,000! If you are wondering how to invest that fresh \$6,500 for reliable passive income, here are three [defensive investment ideas](#) to consider.

TD Bank: A top financial for long-term TFSA income growth

If you want to own a [Canadian blue-chip stock](#), **Toronto-Dominion Bank (TSX:TD)** is a good choice for passive income. This stock has delivered 10% annual compounded total returns for the past decade. TD has a very long history of paying dividends.

In fact, it has been paying a dividend for 166 years. It has increased its dividend by an 11% annualized rate ever since 1995. Last year, it increased its [dividend](#) by over 12%!

All around, TD offers a business that is diversified geographically and [by segment](#). As with all banks, it is economically sensitive. However, its diverse business model and strong balance sheet should enable it to perform resiliently through most economic cycles.

Today, this TFSA stock earns a 4.3% dividend yield. If you put \$6,500 into TD stock, you would earn around \$70 every quarter.

Fortis: Almost a “Dividend King”

Another stock for reliable TFSA income is **Fortis** ([TSX:FTS](#)). It has consecutively grown its dividend for 49 years! Next year, it will hit “Dividend King” status, which is a major statement about the quality and longevity of its business.

Fortis provides essential energy transmission and distribution services across North America. Given that 99% of its business is regulated, it earns a very predictable baseline of earnings. The company has a large \$22 billion capital plan that is anticipated to achieve 6% annual rate base growth over the next five years.

The company hopes to achieve 4-6% annual dividend growth as well. It has an 80% payout ratio that indicates sustainability. Fortis stock yields 4% today. Invest \$6,500 into Fortis, and you'd earn \$65.54 every quarter.

Granite REIT: Sleep-easy TFSA income

One final safe stock to consider buying for income in your TFSA is **Granite REIT** ([TSX:GRT.UN](#)). It operates a defensive portfolio of logistics, manufacturing, and distribution properties across Canada, the U.S., and Europe. Granite has high 99% occupancy, an average lease life of 5.7 years, and most of its top tenants have a high credit quality.

It has increased its annual distribution for 12 consecutive years. The real estate investment trust (REIT) has a best-in-class balance sheet with only 30% leverage. It also has significant \$1.2 billion of liquidity that affords it financial flexibility.

The REIT has nearly five million square feet of properties in development. This should help accrete mid-single digit growth over 2023. Not to mention, industrial property demand has been very strong — so strong that rental rate growth is a possibility as well.

Granite stock yields 4.1% right now. It has a conservative dividend-payout ratio of 80%. A \$6,500 investment in Granite would earn \$21.87 of monthly tax-free income for TFSA investors.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
TD Bank	88.28	73	\$0.96	\$70.08	Quarterly
Fortis	55.66	116	\$0.565	\$65.54	Quarterly
Granite REIT	78.65	82	\$0.267	\$21.87	Monthly

Prices as of January 20, 2023

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FTS (Fortis Inc.)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)

3. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. robbybrown

Category

1. Dividend Stocks
2. Investing

Date

2025/08/18

Date Created

2023/01/20

Author

robbybrown

default watermark

default watermark