



TFSA: Invest \$20,000 and Get \$867/Year Without Lifting a Finger

Description

The TFSA ([Tax-Free Savings Account](#)) is the ideal place to compound dividend income. The dividends you earn inside your TFSA are not taxed. When you keep *all* your income, you can re-invest more of it back into more stocks that generate dividends.

It creates a compounding stream of passive income that grows itself (with almost no work). That is especially so if the stocks you own consistently increase their dividends. Here's one hypothetical portfolio that could turn \$20,000 into \$867 per year, without hardly lifting a finger.

TELUS: A top TFSA income stock

TELUS Corp. ([TSX:T](#)) has grown its dividend annually by a compounded rate of 8.6% over the past 15 years! TELUS is Canada's second-largest telecommunications stock. For several years, it has been enjoying market-leading customer growth. Recent investments in fibre optic and 5G networks should only solidify its placement as a top competitor.

As it completes an outsized capital spending program in 2023, the telecom should start to yield a lot of excess cash. The company noted that it plans to increase its [dividend](#) by 7–10% annually for the coming few years.

Today, this TFSA stock earns a 4.9% dividend yield. A \$5,000 investment in TELUS stock would earn \$61.44 every quarter, or \$245 annually.

Brookfield Infrastructure

Brookfield Infrastructure Partners ([TSX:BIP.UN](#)) has increased its dividend by a 10% compounded annual rate since its IPO (initial public offering) in 2009. The asset manager operates a widely diversified portfolio of essential infrastructure assets (transport, [utility](#), energy, and data).

Over 90% of these assets are contracted or regulated, so its income is quite predictable. Likewise,

75% of earnings are indexed to inflation, so that offers a great hedge to protect its buying power.

This TFSA stock yields 4.08% today. Put \$5,000 into this stock and you would earn a \$50.70 quarterly dividend, or \$202.80 annualized.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#)) has grown its annual dividend at a rate of 22% over the past 22 years! Even though it operates in the cyclical energy business, it has found a way to consistently grow its business and dividend.

The fact is, CNQ has decades-long reserves that require very little capital to keep producing energy. The company is incredibly efficient and cash flow positive even if oil prices were to drop below US\$30 per barrel. Simply put, CNQ is a best-in-class operator, and it has made for a pretty solid long-term investment.

Today, CNQ stock yields 4.2%. A \$5,000 investment in CNQ would earn \$51.85 per quarter, or \$207.40 tax-free annual income inside your TFSA.

TD Bank: A top dividend grower for any TFSA

Like the above TFSA stocks, **Toronto-Dominion Bank** ([TSX:TD](#)) has an excellent history growing its dividend. Since 1995, it has increased its dividend by an 11% annualized growth rate. Its current dividend is 15 times the size it was in 1995!

TD Bank is a top retail and commercial [bank](#) across Canada and the Eastern United States. TD has a strong balance sheet and is known for its prudent capital management. With [interest rates rising](#), the bank is set to earn a nice windfall from higher net interest margins.

TD stock yields 4.3% right now. Put \$5,000 to work in TD stock and you could earn \$52.80 quarterly, or \$211.2 annually.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
TELUS Corp.	28.52	175	\$0.3511	\$61.44	Quarterly
Brookfield Infrastructure Partners	47.77	104	\$0.4875	\$50.70	Quarterly
Canadian Natural Resources	81.49	61	\$0.85	\$51.85	Quarterly
Toronto-Dominion Bank	90.88	55	\$0.96	\$52.80	Quarterly

Prices as of January 27, 2023

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:T (TELUS)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
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