



## 3 Dividend Growth All-Stars for Your RRSP

### Description

For a lot of baby boomers in their 50s and 60s, their golden years might be delayed for a little while.

According to a recent report by **CIBC**, nearly half of Canadians over 50 have less than \$100,000 set aside for retirement. Unless they're looking at a sizable inheritance or some sort of pension, most of these folks are going to come up a little short.

Fortunately, there are alternatives. Canada Pension Plan and Old Age Security payments can be nearly \$2,000 per month for two spouses who worked for most of their adult lives. There's also the idea of part-time work during retirement, whether it's a reduced role at work or trying something new.

And finally, there's one more source of potential income, dividends from your RRSP. No matter whether you're 25 or 55, now is the time to start investing in dividend growth stocks. Each year these stocks will slowly increase your income, which will serve as a built in inflation hedge during retirement. Dividend growth stocks are popular with retirees for exactly that reason.

But which stocks to pick? Here are three that would look good in anyone's portfolio.

### Cenovus Energy

The entire energy patch is on sale, so why not take advantage of it? Oil is still a vital part of the economy.

**Cenovus Energy Inc.** ([TSX: CVE](#))([NYSE: CVE](#)) is one of my favorites in the sector. Currently, the company produces approximately 180,000 barrels of oil per day, mostly from its oil sands operations. Over the next few years, it has all sorts of expansions planned. By the early 2020s, management has stated its goal is to get up to 500,000 barrels of oil in daily production. That's an annual production growth of nearly 14% per year.

Plus, Cenovus has a couple of other advantages even if oil doesn't recover right away. Unlike some of its competitors, it produces the natural gas that it uses to loosen up the thick oil sands, which saves money compared to paying market price. That, combined with the company's proprietary production

techniques, make its oil sands production among the cheapest in the region. In a low-priced oil world, that's good.

Cenovus is committed to raising its 4.2% dividend going forward. You might not see a 15% raise like in the spring, but it's a solid company to hold while oil recovers.

## Rogers Communications

The last couple years have been a little rough for **Rogers Communications Inc.** ([TSX: RCI.B](#))([NYSE: RCI](#)).

Essentially, the company is getting smoked in wireless by **Telus**. Although Rogers is still Canada's wireless leader, its once almost insurmountable lead has dwindled to a mere 5%, settling in at a 35% market share. The company has also aggressively bought up spectrum, which has led to a balance sheet that's a little stretched.

The company is working hard at turning things around. Its wireless offerings are being simplified, and management is investing in customer service. Meanwhile, its other divisions are humming along nicely, spinning out plenty of free cash flow.

While wireless recovers, investors are getting paid a generous 4.1% dividend. If you stick Rogers in your RRSP today, chances are its dividend will be at least 25% higher in five years.

## National Bank

Because of the sheer size of its competitors, **National Bank of Canada** ([TSX: NA](#)) often gets left out of the conversation. That's a shame, because it's a fine operator.

Traditionally, National has traded at a discount to the so-called "Big 5." For dividend growth investors, this isn't such a bad thing. In exchange for investing in the forgotten little brother of the group, you're looking at a yield up to 10% higher than its peers. I think most dividend growth investors would gladly make that trade.

Analysts have speculated for years that National may make an acquisition outside of Canada. If it ever happens, it could very well be the catalyst which narrows the valuation gap between it and the others. Not only are investors getting a nice, steadily growing 3.8% yield, but there's also the potential for it to outperform its peers going forward.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:CVE (Cenovus Energy Inc.)
4. TSX:NA (National Bank of Canada)
5. TSX:RCI.B (Rogers Communications Inc.)

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