



4 Dependable Dividends for Retirement Income

Description

Inflation might be the single biggest threat to a comfortable retirement.

Even if prices only increase at a modest 3% annual clip, the value of your savings are cut in half every 25 years. Depending on circumstances, your cost of living may rise even faster than the official inflation numbers.

Thankfully, there's a fairly simple way to build an annual cost-of-living increase into your retirement income: blue-chip dividend growth stocks. And here in Canada, there're dozens of companies that have raised their payouts faster than inflation over the past five years.

If you're on a fixed income, these stocks can help you absorb higher living costs. So to help get you started, I've highlighted four of my most dependable dividend stocks. These serve as a great inflation hedge for retirees.

BCE Inc

BCE Inc ([TSX: BCE](#))([NYSE: BCE](#)) is a clichéd example of a widow and orphan stock, but for good reason. Telephone and Internet service are near necessities. And because telecoms have near monopolies, companies like BCE have the power to hike prices above and beyond the rate of inflation.

For shareholders, this has translated into a growing income stream. Over the past five years, BCE has hiked its dividend at a 9.9% compounded annual clip. By comparison, inflation over that period averaged just 1.8% annually.

Boardwalk REIT

Boardwalk REIT ([TSX: BEI.UN](#)) gives you all the benefits of being a landlord without any of the hassles. This company owns hundreds of apartment buildings across Canada and passes on all of the rental income to unitholders. Today, investors can lock in a yield of 3.2%.

What makes owning apartment buildings so special? When money gets tight, the rent is generally the

last bill to go unpaid. People will skip vacations or eating out long before an eviction notice arrives. That means Boardwalk's distribution is one of the most dependable around.

Enbridge Inc.

Enbridge Inc. ([TSX: ENB](#))([NYSE: ENB](#)) owns oil pipelines and terminals across Canada and the United States. Thanks in part to the monopoly status it holds on these assets this company just reported record annual gross profits — up 12% from a year ago. And while the stock doesn't boast the highest yield, its payout has grown more than three-fold over the past decade.

However, the biggest reason why you should like Enbridge is that it has almost no exposure to volatile energy prices. In essence, the company's pipelines act like a toll road, connecting buyers and sellers of oil and natural gas. That means that no matter which way commodity prices go, this firm still gets paid.

Brookfield Infrastructure Partners L.P.

Brookfield Infrastructure Partners L.P. ([TSX: BIP.UN](#))([NYSE: BIP](#)) allows you to own dozens of utilities, toll roads, railways, and ports around the world. More than 85% of the company's cash flow is based on long-term contracts. That almost guarantees a steady source of income.

You can almost think of Brookfield like a bond with growth. Management is committed to increasing the dividend at a double-digit annual clip over the next five years, and today the stock yields a hearty 4.7%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
6. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
7. TSX:ENB (Enbridge Inc.)

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