

## Take Your RRSP One Step Further by Creating Your Own Pension Plan

### Description

In today's world of low interest rates, potentially overvalued stock markets, and having to choose between what seems like thousands of different investment choices, generating enough income to maintain a reasonable lifestyle during your golden years seems pretty difficult for the average Joe.

It wasn't always this way. Even semi-skilled workers in the 1950s and 1960s could count on a pension from their employer, a perk designed to keep employees around during a period of long-term economic boom. Back then, an employer wasn't going to get staff if a pension plan wasn't part of the equation.

But as the long-term effect of pension plans became clear, employers started dropping them for entry-level employees. People in management roles are still likely to qualify, but folks on the bottom of the ladder have to make due with a RRSP match and their own savings. The attitude about pensions has come a long way in just two generations.

The good news is creating your own pension isn't nearly as complicated as you might think. All you need to do is load up your RRSP with solid, dividend-paying companies and watch the dividend money come flowing in. You can either stagger your dividends so you get paid a little each month, or choose companies that reward shareholders monthly.

Here are three solid choices from the latter category.

### Shaw Communications

There are a lot of good things to say about **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)).

Let's start with the company's television business, which has more than 1.5 million subscribers between cable and satellite. Yes, customers are slowly dropping as more people cut the cord and live without cable, but Shaw is easily able to increase prices to existing customers at a faster rate. When was the last time your cable bill went down?

The best part of the business is providing Internet for 1.8 million homes and businesses. Not only has the internet become an immensely important communications tool, but Shaw has done a terrific job of making it less of a commodity business. It differentiates itself by offering a network of some 50,000 wifi hotspots across western Canada, which customers tap to get fast, secure wi-fi away from home. This is proving to be popular with customers.

Shaw also just raised its monthly dividend 8%, and will now pay out \$1.185 per share on an annual basis, good enough for a yield of more than 4%.

### Cominar REIT

I'm not sure why **Cominar Real Estate Investment Trust** (TSX:CUF.UN) doesn't get more attention, but I suppose that's good news for people interested in this 7.4% yielder.

Cominar is Quebec's largest commercial landlord, owning a total of 563 commercial, retail, and industrial properties. It continues to expand outside of La Belle Province by making small acquisitions in Ontario and the Atlantic provinces. And unlike most REITs, Cominar actually has strong insider ownership with the founding family owning 7% of the stock.

The company just raised its dividend in 2014, and looks poised to do so again soon, as it digests a large acquisition of shopping centres. It won't be as attractive as Shaw's recent raise, but I'd say investors are more interested in Cominar maintaining its distribution. Raises are just a bonus.

### **Canadian Apartment Properties**

If you're anything like me, you're concerned about Canada's real estate bubble. When it inevitably pops, I think owners of **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)) are going to be happy campers.

As the market has continued to go up, many prospective renters are stretching themselves thin to be able to buy a starter home or a condo. When the market starts to turn the other way, these people will be the first to run into problems. But they're still going to need somewhere to live, and the company has more than 35,000 suites that will suddenly start to look pretty good.

Although the company's dividend yield is just a little over 4%—which is historically quite low—it has been making up for the low yield by increasing its dividend each year since 2011. Since rents tend to go up with inflation, look for the company to give investors a small raise annually in the foreseeable future.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:SJR.B (Shaw Communications)

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