3 Reliable Dividend Stocks for Every Retirement Portfolio

Description

Whether you are retired now or you're a younger investor building a nest egg, an income higher than inflation growing at a rate faster than inflation will help you maintain your purchasing power. With the following reliable dividend companies, you can have both a safe and growing income.

A safe dividend is supported by earnings and a reasonable payout ratio. Additionally, a dividend that was just raised is the safest given that most companies don't raise a dividend only to cut it soon after.

1. Bank of Nova Scotia
This year, the **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) enters its 184th year of business. On top of being the third largest bank in Canada, it is also among the 25 largest banks around the world.

For the past decade, the return was 10% per year. Last year, shareholders got an annual return of 13% with an average yield of 3.8%. Today, the bank pays a higher, attractive yield of 4.2%. The yield is safe with a payout ratio of only 45%.

One of the Bank of Nova Scotia's medium-term objectives is to grow earnings by 5-10%. Since a healthy dividend is supported by earnings growth, investors can expect its dividends to grow in that range as well. Earnings growth leads to a healthy growing dividend and long-term price appreciation.

2. Northern Property REIT
Northern Property REIT (TSX:NPR.UN) owns and operates residential properties in communities that have leadership positions in natural resources such as oil, natural gas, diamonds, forestry products, or agriculture. The real estate investment trust's price is depressed mainly due to the drop in the oil price.

Northern Property is currently one of the top 10 constituents of the **S&P/TSX Canadian Divi dend Aristocrats Index**. This index consists of companies that have raised dividends for a minimum of five consecutive years.

The corresponding ETF, **ISHARES SP TSX CDN DIVIDEND IDX ETF** (TSX:CDZ), yields 3.1%, but Northern Property REIT pays more than double that at over 6.6%. What's more to like is that Northern Property REIT pays out monthly distributions. Holding it in the TFSA or RRIF provides a reliable high income that more than doubles the rate of inflation.

3. Enbridge Inc.
Enbridge Inc. (TSX:ENB)(NYSE:ENB) is a leader in providing the infrastructure to store and transport energy. Other than owning a large network of crude oil pipelines, Enbridge also owns Canada's biggest natural gas distribution utility, serving customers in Canada and parts of New York.

With new technologies, oil and gas companies are extracting more out of the natural resources. This benefits Enbridge in terms of growing volumes of transport. Enbridge spends capital on building the pipelines. Once they're in place, the higher the volume of transportation, the more Enbridge earns.

Its 3% dividend, supported by growing earnings, is expected to grow between 10-12% until 2018. In fact, there's room for the payout ratio of 75% to expand to up to 85%.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CDZ (iShares S&P/TSX Canadian Dividend Aristocrats Index ETF)
5. TSX:ENB (Enbridge Inc.)

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