

## Retirees: Give Yourself a Raise With These 7%+ Yielders

### Description

Many retirees or soon-to-be retirees have loaded up their portfolios with dividend-growth stocks, content to take a yield of 3% or 4% along with some decent growth.

But perhaps that isn't the best way to go about it. Increasing dividends are fine and good, but it's silly to leave money on the table, especially when a retiree could probably use the cash. By putting at least a portion of their portfolio in high-yielding names, retirees are making a smart move to maximize current income over future growth. After all, someone in their golden years doesn't have much time to keep compounding.

Some retirees might be wary of a move like this simply because higher yields are perceived to be automatically higher risk. While that's true on aggregate, there are plenty of companies out there that pay consistent high yields, and have done so for years.

While no dividend is ever 100% secure (especially high yield), I think investors can count on the following three dividends for years to come.

#### Cominar REIT

**Cominar Real Estate Investment Trust** (TSX:CUF.UN) is Quebec's largest owner of real estate, with more than 46 million square feet of retail, office, and industrial space under management. Approximately 80% of its portfolio is located in the province, with the other 20% split between Toronto, Atlantic Canada, and Alberta.

The company just completed a major acquisition, which caused the debt levels to go a little higher than the market would have liked. That, combined with the general sell-off in high-yield assets, have depressed shares all the way down to a 52-week low, just under \$18 per share. That puts the yield at 8.2%.

The yield looks to be safe. In 2014 the company posted \$1.86 per share in adjusted funds from operations, while paying out just \$1.47 per share in dividends. That puts the payout ratio at right around 80%, which is pretty comfortable for a REIT.

#### TransAlta

The perfect storm of bad news has pushed **TransAlta Corporation** ([TSX:TA](#))([NYSE:TAC](#)) shares down. The latest issue is the NDP win in Alberta's recent provincial election, a party known to being opposed to coal-fired power. TransAlta is by far the largest owner of coal-fired plants in the province.

There are other issues plaguing the stock as well. Poor results caused it to slash the dividend back in 2014, and costly repairs haven't helped either. The company is also hoping for better prices in Alberta come 2018 when its current contracts in the province expire. Additionally, results from its U.S. operations were also depressed when Canada's dollar was above par compared with the American

greenback. This situation has gotten much better lately.

The company is also taking steps to strengthen the balance sheet, selling Australian assets to **TransAlta Renewables**, its greener subsidiary. The parent currently owns some 76% of Renewables, which pays a generous yield. Thus, most of the dividends from these assets will still benefit the parent company.

The current yield is 7.2%, which is sustainable, at least based on 2014's full-year numbers.

## Rogers Sugar

Although we're all trying to eat better, I'm still relatively bullish on the sugar business. It might not be a fast grower anymore, but there's still a consistent use for the commodity.

If you're looking for sugar in Canada, you have two options. You can either buy it from Redpath—which is privately held—or from **Rogers Sugar Inc.** ([TSX:RSI](#)). Since the government tariffs any imported refined sugar, there's little chance of competition coming from other manufacturers around the world. This has led to a pretty comfortable duopoly situation.

It's also led to some attractive dividends over the years. Shares currently yield just over 8%, but the company also has a history of special dividends, most recently back in 2013. Rogers is currently dealing with high input costs and low sugar prices, which isn't a good combination. But the price of the commodity will rise again, which will make it easier to push price increases to customers.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:TAC (TransAlta Corporation)
2. TSX:RSI (Rogers Sugar Inc.)
3. TSX:TA (TransAlta Corporation)

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## Date

2025/08/26

## Date Created

2015/06/29

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