



Retirees: These 3 Monthly Dividend Payers Are as Good as a Pension

Description

Unfortunately for folks looking to retire in the next little while, gold-plated pensions are quickly becoming as extinct as the dodo bird.

Many employers have replaced their defined benefit plans with defined contribution plans, where they help top up an employee's RRSP contribution with an employer match. While this isn't a bad system—getting a match is better than getting nothing, after all—it leaves retirees with one big problem: how can they generate consistent income when they retire?

Perhaps the best choice for many retirees is investing in dividend stocks that pay generous yields. Many of these stocks have years of paying consistent dividends under their belt, and most are in good businesses that people use every day. While not as secure as something like a GIC, a diversified portfolio of stocks like this can certainly be the foundation of a good retirement portfolio.

Here are three dividend stocks that offer consistent and attractive dividends that are paid monthly.

Shaw Communications

Although people are slowly ditching cable for other media alternatives, being the cable company is still a pretty good business.

Thus far in 2015, approximately 3.5% of **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) customers have ditched cable, which has been partially offset by an increase in Internet subscribers. But it hasn't worked out so badly for the company, since it has been able to push a 5% price increase to its existing customers. That, combined with an acquisition, boosted its revenue in the most recent quarter to \$1.42 billion, a 5.7% increase from the same quarter last year.

Shaw is also pretty attractively valued. Shares are trading close to a 52-week low, while posting a price-to-earnings ratio of just 15.8. Based on the P/E ratio, Shaw is one of the better values in the sector.

The big reason to own Shaw is for the dividend. The company currently pays out 9.875 cents per share per month, which is good enough for a 4.6% yield. Dividend growth has been solid too, with the

company hiking the payout annually since 2004. At a payout ratio of just over 73% of net earnings, it's a safe dividend as well.

Pizza Pizza

There's a reason why billionaire Warren Buffett has investments in the fast food business. These companies have good brand recognition and the ability to raise prices with inflation, among other attractive factors.

I believe **Pizza Pizza Royalty Corp.** ([TSX:PZA](#)) might be the best way for Canadian investors to participate in the sector. It trades at just 16.7 times earnings, even after coming out with terrific numbers in its most recent quarter, including an increase in same-store sales of 6%, and an increase in net income of nearly 9%.

Because of the nature of the company, Pizza Pizza can afford to pay all of its net earnings as a dividend. This translates into a terrific yield of 6.1%, which is a pretty solid number in today's low interest-rate world. It also offers good dividend growth, hiking the payout five times since 2011.

H&R REIT

It isn't very often that one of Canada's finest REITs yields more than 6.6%, especially lately.

H&R Real Estate Investment Trust ([TSX:HR.UN](#)) is doing just that, and I'm really not sure why the yield is so high.

The market seems spooked by its exposure to Alberta, but upon further scrutiny, the exposure to the province looks pretty manageable. Firstly, only 16% of the REIT's earnings come from Alberta, which are mostly protected by long-term leases. And the company's exposure to the U.S. market more than makes up for any potential losses from Alberta, since the decline in the Canadian dollar has made earnings from its U.S. subsidiary more robust.

H&R REIT not only boasts an attractive dividend, but it also has a low payout ratio, paying out just 69% of its funds from operations over the first half of 2015. That's one of the lowest payout ratios in the sector, and it comes from a company that has raised its dividend 11 times since 2009.

CATEGORY

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TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:HR.UN (H&R Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:SJR.B (Shaw Communications)

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