



2 Worry-Free Income Stocks for Retirees

Description

Volatility has returned to equity markets, and many investors are reaching for the aspirin every time they check their portfolios.

Young investors can surf the downdraft without much trouble, but senior investors looking for consistent income have more to worry about because they can't afford a dividend hit.

A steep drop in stock prices can also be a problem if money is suddenly needed to pay for unexpected expenses.

This is why income investors should buy top dividend-growth names with low volatility. The measure used to determine volatility is the stock's beta. A value lower than 1.0 means the stock is less volatile than the broader market.

Which stocks should retirees buy?

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) and **Fortis Inc.** ([TSX:FTS](#)) are good picks to start with.

Telus

In the second quarter of 2015, Telus increased its year-over-year wireless data revenue by 18% and its wireline data revenue by 7.8%.

Those are pretty good numbers, and much of the success is attributed to a disciplined customer-first approach.

Telus really goes to great lengths to ensure its clients have a positive experience. The effort has resulted in the lowest mobile churn rate in the industry, and Telus recently recorded its 19th consecutive quarter of year-over-year revenue growth per user.

On the wireline side, the company continues to invest in its network and is seeing strong demand for its Telus TV and broadband Internet offerings.

Telus pays a quarterly dividend of \$0.42 per share that yields about 4%. The company has a beta of 0.26.

Fortis

Electricity generation and natural gas distribution are not very exciting, but income investors are looking for reliability, not entertainment.

Fortis operates assets in Canada, the United States, and the Caribbean. The mix offers a nice geographic balance and gives the company some exposure to the strong U.S. dollar.

About 93% of the revenue comes from regulated assets, which is important for income investors to consider because it means cash flow and earnings should be both predictable and reliable.

Management does a good job of looking after the company's shareholders. In fact, Fortis has increased the dividend every year for more than four decades, and recent investments should ensure the track record remains intact.

The company pays a quarterly dividend of \$0.34 per share that yields about 3.6%. The stock's beta is 0.22.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:FTS (Fortis Inc.)
3. TSX:T (TELUS)

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