The Instant 3-Stock Dividend Portfolio for Retirees

Description

Dividend stocks are the foundation of great retirement portfolios. However, not all dividend stocks are created equal, so this is where you must do your homework. Fortunately for those of you reading this article, I've done the necessary homework and compiled a list of three stocks with high and safe yields of 4-5% and room for further growth, so let's take a closer look at each to determine if you should buy one or all of them today.

1. BCE Inc.

BCE Inc. (TSX:BCE)(NYSE:BCE) is the largest communications company in Canada, and it is the country's largest Internet provider, its largest provider of television services, and its third-largest wireless service provider. It pays a quarterly dividend of $0.6825 per share, or $2.73 per share annually, which gives its stock a yield of about 4.6% at today's levels.

It is also very important to make two notes.

First, the company has raised its annual dividend payment for seven consecutive years, and its 4% hike on February 4 has it on pace for 2016 to mark the eighth consecutive year with an increase.

Second, BCE has a target dividend-payout range of 65-75% of its free cash flow, so I think its consistent growth, including its 2.3% year-over-year increase to $3.54 per share in fiscal 2015, and its projected 4-12% growth in fiscal 2016 will allow its streak of annual dividend increases to continue going forward.

2. Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) is the fifth-largest bank in Canada with nearly $480 billion in total assets. It pays a quarterly dividend of $1.18 per share, or $4.72 per share annually, which gives its stock a yield of about 4.8% at today's levels.

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First, the company has raised its dividend for six consecutive quarters.

Second, CIBC has raised its annual dividend payment for five consecutive years, and its recent increases, including its 2.6% hike on February 25, have it on pace for 2016 to mark the sixth consecutive year with an increase.

Third, the company has a target dividend-payout range of 40-50% of its adjusted net earnings, so I think its consistent growth, including its 8.1% year-over-year increase to an adjusted $2.55 per share in its first quarter of fiscal 2016, and its growing asset base will allow its streak of annual dividend increases to continue for the foreseeable future.

3. Plaza Retail REIT

Plaza Retail REIT (TSX:PLZ.UN) is one of Canada's largest owners, developers, and managers of retail real estate with 301 properties across eight provinces. It pays a monthly distribution of $0.02167 per share, or $0.26 per share annually, which gives its stock a yield of about 5.5% at today's levels.

It is also very important to make two notes.

First, the company has raised its annual distribution for 12 consecutive years, and its 4% hike in November 2015, which was effective for its January 2016 payment, has it on pace for 2016 to mark the 13th consecutive year with an increase.

Second, I think Plaza's consistent growth of funds from operations, including its 6.7% year-over-year increase to an adjusted $0.318 per share in fiscal 2015, and its modest payout ratio, including an adjusted 78.6% in fiscal 2015, will allow its streak of annual distribution increases to continue for the next several years.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
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jsolitro