



3 Great Monthly Dividend Stocks for Retirees

Description

As history has shown, owning a portfolio of dividend-paying stocks is the best way to build wealth over the long term. However, if you do not reinvest your dividends and receive your cheques in the mail to live off of, as many retirees do, there is one major problem: our bills arrive monthly, but our cheques arrive quarterly.

Fortunately, there are stocks that pay dividends on a monthly basis, which makes everything much easier.

With this in mind, let's take a quick look at three monthly dividend stocks with high and safe yields of 4-7% that you could buy today.

1. Boardwalk REIT

Boardwalk REIT ([TSX:BEI.UN](#)) is one of Canada's largest residential landlords with over 200 communities across four provinces. It pays a monthly distribution of \$0.1875 per share, or \$2.25 per share annually, which gives its stock a yield of approximately 4.15% at today's levels.

Investors must also make three notes.

First, the company's 10.3% dividend hike in February has it on pace for fiscal 2016 to mark the fifth consecutive year in which it has raised its annual dividend payment.

Second, I think Boardwalk's consistent growth of funds from operations, including its 5.9% year-over-year increase to an adjusted \$3.23 per share in fiscal 2015, its modest payout ratio, including 63.1% in fiscal 2015 compared with 66.7% in fiscal 2014, its high occupancy rate, and its planned portfolio growth in fiscal 2016 will allow its streak of annual distribution increases to continue going forward.

Third, the company has paid out special distributions in each of the last two years, including a \$1.40 special distribution in December 2014 and a \$1.00 special distribution in December 2015, and I think its ample funds from operations will allow it to pay out another special distribution in 2016.

2. Altagas Ltd.

Altagas Ltd. ([TSX:ALA](#)) is a diversified energy infrastructure company, and its assets include natural gas pipelines, natural gas storage facilities, and clean power-generation facilities. It pays a monthly dividend of \$0.165 per share, or \$1.98 per share annually, which gives its stock a yield of approximately 6.2% at today's levels.

Investors must also make two notes.

First, the company's 3.1% dividend hike in October 2015 has it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

Second, Altagas expects its normalized funds from operations to grow by approximately 15% in 2016, so I think this growth paired with its modest payout ratio, including 55.4% in fiscal 2015, will allow its streak of annual dividend increases to continue until 2017 at least.

3. Morneau Shepell Inc.

Morneau Shepell Inc. (TSX:MSI) is one of Canada's largest providers of human resource services and related technologies. It pays a monthly dividend of \$0.065 per share, or \$0.78 per share annually, which gives its stock a yield of approximately 4.4% at today's levels.

Investors must also make two notes.

First, the company has maintained its current annual dividend rate since 2011.

Second, I think Morneau Shepell's increased amount of normalized free cash flow, including its 21.9% year-over-year increase to \$61.6 million in fiscal 2015, and its low payout ratio, including 60.8% in fiscal 2015 compared with 74.1% in fiscal 2014, will allow it to raise its dividend when it reports its first-quarter earnings results on May 9.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)

Category

1. Dividend Stocks
2. Investing

Date

2025/07/02

Date Created

2016/04/18

Author
jsolito

default watermark

default watermark