Retirees: Give Yourself a Raise With These +6% Yielders

Description

In today's low interest rate world, it's tough to be a retiree without a golden pension.

With GICs and government bonds barely yielding more than 1%, investors have gone searching for better yields. They've found them in the stock market, especially in the so-called high-yield sector. These are stocks that pay out dividends of greater than 5% annually.

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Many investors feel high-yielding stocks are dangerous–companies that are just a bad quarter or two away from cutting their payouts. That's certainly true for at least some of the sector. But most dividends are in pretty good shape. The company is earning enough to pay the distribution, plus enough to reinvest into the business.

Here are three high-yielding stocks that would look good in just about every retiree's portfolio.

Boston Pizza

Boston Pizza Royalties Income Fund (TSX:BPF.UN) gives investors first dibs on sales generated by the more than 370 different Boston Pizza locations in Canada. The fund then pays most of those sales out to investors as generous dividends.

There's a lot to like about Boston Pizza. The company has grown to become Canada's largest fast, casual restaurant chain with sales surpassing $1 billion in 2015. Same-store sales were up 1.8% last year–not a bad result considering the weak economy in western Canada. Compare that with 2009, when same-store sales slumped 4%.

Stocks like Boston Pizza show that high-yield investors can be treated to dividend growth as well. Since 2011, when the company converted from an income trust, the dividend has been raised five times. The original monthly payout was $0.084 per share; these days the dividend is $0.115. That's terrific dividend growth for a company with a current yield of 7.4%.

Crombie

Grocery stores are great tenants. They have to make sure the property is maintained, and they tend to stick to one location for a very long time. There's little risk of them being really affected by online sales either.

An easy way for investors to get exposure to a diversified group of properties anchored by grocery stores is through **Crombie Real Estate Investment Trust** (TSX:CRR.UN), the owner of 256 different properties located across Canada with 17.4 million square feet of total space.

Most of the rent comes from Sobeys and Safeway stores, locations that have suffered a little bit lately. But the parent company (**Empire Company**) is still strong, and these are good locations. They're not about to get abandoned anytime soon.

Crombie offers investors a yield of 6.4%. The dividend looks to be pretty safe, too; the payout ratio for 2015 was less than 80% of funds from operations.

Brookfield Renewable

It's obvious renewable energy is the trend of the future.

Retirees looking to profit from this trend can do so by investing in **Brookfield Renewable Energy Partners LP** (TSX:BEP.UN)(NYSE:BEP), a fund dedicated to investing in large-scale green-power projects around the world. Assets are located in Canada, the United States, Brazil, Colombia, Ireland, and Portugal.

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All of these assets are located in regulated areas, which means the company knows the rate customers will pay. That helps the management team make intelligent decisions for the company's capital, and it ensures investors will get paid generous dividends.

Distributions are paid in U.S. dollars. For 2016, the payout is scheduled to be US$1.78 per share, which works out to a yield of just over 6%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
4. TSX:CRR.UN (Crombie Real Estate Investment Trust)

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