

Retirees: These 3 Dividend Stocks Are as Good as Any Pension

Description

Running out of money is the stuff of retiree nightmares. Nobody wants to admit to their children that they didn't plan well enough.

Retirees with pensions don't have this problem. They know the pension is always going to be there. Even if the underlying company goes bankrupt, legislation exists that ensures the assets belonging to the pension are protected. Additionally, many pensions have clauses where the payment is guaranteed for both the life of the pensioner and their spouse.

Unfortunately for most of us, the era of pensions has slowly gone away. Companies simply can't afford to give out those kinds of guarantees anymore, so they've replaced pension plans with other retirement schemes, the most common one being the retirement match. The employer matches the employee's RRSP contribution up to a certain amount.

This leaves workers with a problem when they retire. Retirees without professional investment experience don't know how to invest that money for consistent income. So they get sucked into all sorts of different mutual funds and other products, often for a high fee.

It doesn't have to be that way. Here are three monthly dividend stocks that would look good in the portfolio of every retiree.

Shaw Communications

Shaw Communications Inc. ([TSX:SJR.B](#))([NYSE:SJR](#)) is a company in transition. It recently announced a move into the wireless space by acquiring Wind Mobile. The company then sold its media assets to pay for the deal.

I like the move, even if it will mean a short-term hit to profits. The media business consisted mainly of cable channels that many analysts think are poised for a slow decline, while the future of the wireless business looks much better. Shaw's management thinks it can grow wireless revenues by doing things like offering bundling packages for existing cable and Internet customers.

There's no doubt that cable TV, the main part of Shaw's business, is slowly declining. But the company has been successful in pushing through price increases to existing customers, and most former cable customers stick around as Internet customers. Besides, things can't be too bad. Shaw reported an increase of revenue of approximately 5% for 2015.

Shaw pays a monthly dividend of \$0.09875 per share, which is good enough for a 5% yield. Dividend growth may pause as the company integrates the Wind transaction, but it still looks good over the long term.

Pizza Pizza

One of the most important investing lessons I've learned over the years is this: it's good to invest in food.

There are a number of reasons why **Pizza Pizza Royalty Corp.** ([TSX:PZA](#)) is one of my favourite food stocks. Pizza is the perfect food to order online and through smartphones, and Pizza Pizza is well positioned to get that business. The chain is dominant in Ontario and is slowly expanding to other parts of the country. And same-store sales continue to chug upwards, increasing 4% in 2015.

Perhaps the best part about owning Pizza Pizza shares is the dividend. Shares currently yield 6.1%, and dividend growth has been pretty good for a company with such a high dividend; it's had two increases in the last year alone.

Smart REIT

Many investors are starting to figure out just how fine of a company **Smart REIT** ([TSX:SRU.UN](#)) is.

Smart has a number of very attractive qualities. Its management team is considered one of the best in the business. Its main tenant, **Wal-Mart**, is about as good as tenants get, at least from a traffic drawing standpoint. The average age of its portfolio is just a little over 10 years, making it one of the newest REITs in Canada. And its occupancy consistently sits at above 98%, which is absolutely fantastic for a retail REIT.

Investors don't have to worry about the company's 4.9% dividend either. With a payout ratio of less than 80% of funds from operations, Smart's dividend looks to be very secure. The company even raised the payout back in October.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

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

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