



## Attention Retirees: These Top Picks Offer Great Monthly Payouts

### Description

Canadian retirees are turning to stocks to help them boost their monthly income.

This wasn't always necessary, but risk-free GICs and savings accounts no longer pay anything, so dividend stocks are pretty much the only yield game in town.

Fortunately, there are a wide variety of good businesses that offer reliable payouts while providing a reasonable level of risk.

Let's take a look at **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) and **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) to see why they might be attractive picks today.

### A&W

A&W is doing a great job of separating itself from the congested burger pack by highlighting its focus on healthy ingredients.

Yup, the fast-food chain is winning the hearts and stomachs of Canadian burger fans by promoting the fact that its beef is raised without the use of hormones and the chicken it sells is raised without the use of antibiotics.

This might not sound like a top-notch way to lure customers into the restaurant, but it appears to be working.

A&W continues to expand its presence across the country. There are currently 858 stores contributing to the revenue pool, and 23 more are under construction or in the process of getting permits.

Second-quarter same-store sales rose 2.7% compared with last year. For the first six months of 2016 the number is up 5.4%.

The fund recently raised the monthly payout to \$0.133 per unit. That's good for a yield of 4.4%.

## Shaw

Shaw is going through a major transition, and that has investors sitting on the sidelines.

What's going on?

The company decided to finally enter the mobile war when it purchased Wind Mobile earlier this year. The move came as a surprise to some analysts because Shaw has long maintained it wasn't going to spend the billions needed to compete with the three other established players.

In the end, management realized it needed a mobile business to provide competitive packages that also include internet and cable TV services.

To pay for the Wind Mobile deal and help fund the network expansion, Shaw sold its media business to **Corus Entertainment**. The sale included the specialty channels, the Global TV network, and all of the radio stations.

Shaw's Q2 results show the company is producing sufficient free cash flow from its continuing business operations to support the dividend. There is even room for an increase.

As the mobile business continues to grow, I think the market will feel more comfortable with the strategy shift, and the stock could start to catch up to its peers.

In the meantime, investors can pick up a safe monthly dividend that offers a 4.5% yield.

### Is one a better bet?

Both companies are solid income picks for investors seeking monthly payouts.

A&W has enjoyed a nice rally in recent months, so I would probably go with Shaw as my first choice today.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:SJR.B (Shaw Communications)

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