



3 Incredible Dividend Stocks to Help Fund Your Retirement

Description

Dividend stocks can be a great source of extra income for retirees, but not all stocks are equal. Investing in high-yield stocks comes with its fair share of risks — something you can't afford during your golden years. What you need are dividend stocks that are not only dependable, but also have the potential to grow over time.

In other words, you need stocks such as **Canadian National Railway Company** ([TSX:CNR](#)) ([NYSE:CNI](#)), **Fortis Inc.** ([TSX:FTS](#)) ([NYSE:FTS](#)), and **Altagas Ltd.** ([TSX:ALA](#)) in your retirement portfolio. Here's why.

A safe, growing dividend stock

Ever imagined what will happen if railroads stop transporting goods? The economy could come to a standstill. This indispensable nature of the business makes railroad stocks great investments. And when it comes to dividend champions, none comes close to Canadian National.

Canadian National is not only Canada's largest railroad, but it's also the only transcontinental railroad in North America which spans three key coasts through 20,000 route-miles. This incredible geographic reach is among the company's biggest competitive strengths. Moreover, Canadian National is the most efficient railroad in the industry with the lowest operating ratio and best-in-class margins.

That's not all: Canadian National boasts a rock-solid balance sheet and has consistently generated copious amounts of cash flows over the years, which is why it has been to increase its dividend for 21 straight years, regardless of the business cycles. Canadian National's 1.7% dividend yield might be small, but its dividend is as safe as it can get — an important factor to consider during your golden years.

43 years of dividend increases, and counting

Defensive dividend stocks are great choices for retirees as sales for defensive companies are resilient to business cycles. Fortis, one of North America's largest electric and gas utilities which gets 93% of its earnings from regulated utilities, is a fine example.

Having recently acquired U.S.-based ITC Holdings Corp. in a multi-billion-dollar deal, Fortis is on stronger footing than ever.

Fortis provides electricity and gas to nearly 3.2 million customers. No matter how the economy fares, demand for these essentials is unlikely to take a hit, which explains how Fortis has bagged the crown of being a top dividend stock. Fortis has increased its dividend for 43 consecutive years. I can't remember another company in the **S&P/TSX** with a dividend record that comes even close.

Here's the best part: Fortis aims to increase its annual dividend by an average 6% through 2021. Factor in the stock's solid 3.7% dividend yield, and you'd find it hard to dig up a better stock to invest in through your golden years.

8-10% annual dividend growth through 2021

Altagas is a unique energy infrastructure stock that not only operates power and gas utilities but also processes and sells natural gas. This positions the company well to exploit future clean energy trends, even as it reaps the benefits of a largely regulated business model.

The biggest growth catalyst for Altagas going forward is its impending \$8.4 billion acquisition of **WGL Holdings Inc.** ([NYSE:WGL](#)) — a public utility holding company that serves more than one million customers in Washington D.C. through its subsidiaries such as Washington Gas.

Altagas has grown its dividend at an annual compounded rate of 9% in the past five years. WGL's addition should only push its dividend higher. Altagas is targeting 8-10% growth in annual dividends through 2021, backed by 20% growth in funds from operations per share in the first year of the acquisition and 15-20% growth thereafter through 2021.

With the stock currently yielding a whopping 6.8%, Altagas's dividend-growth potential is too good for any income investor to ignore.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2017/03/11

Author

nehams

default watermark

default watermark