Retirement Income: 5 Dividend-Growth Stocks to Buy Before You Retire

Description

A secure job that comes with an employer-funded retirement plan is a great combination, but you're in a extremely lucky position to have both in today's economy.

As the nature of workforce changes and employers look for flexible and contractual workers, it's become difficult to save for retirement. That's probably the reason that many of us won't a have a big enough nest egg to depend on when we retire.

Almost half of Canadians 55 years and older say they are not on track with their retirement planning, according to key finding of a poll commissioned by **Royal Bank of Canada** this year.

In an online survey of 2,033 adult Canadians, 46% of poll respondents said their number one concern was whether or not they will have enough money to retire on.

And when you look at the options available to you to generate some dependable income for your golden years, you'll find that that space is shrinking fast. After almost a decade of a low interest rate environment, a retirement portfolio containing bonds and GICs is unlikely to generate enough income to meet your monthly expenses once you retire.

In this situation, adding some good quality dividend-growth stocks to your retirement portfolio makes a lot of sense. This portfolio will not only generate monthly income for you, but its dividend growth will be there to beat the rate of inflation.

So, what stocks should you include in your retirement portfolio? For the retirement income, it's better to stick with the best and most trusted names in town.

For starters, here are five stocks with stable and growing dividend payouts:

Stock	Current Yield	Market Cap
Toronto-Dominion Bank (TSX:TD)(NYSE:TD)	3.76%	$118.10 billion

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)	4.82%	$46.95 billion
Enbridge Inc. (TSX:ENB)(NYSE:ENB)	4.8%	$83.38 billion
Canadian National Railway Company (TSX:CNR)(NYSE:CNI)	1.64%	$76.8 billion
Telus Corporation (TSX:T)(NYSE:TU)	4.32%	$26.9 billion

Source: Yahoo! Finance

Let's say a few words about these companies.

Investing in shares of Toronto-Dominion Bank and CIBC is a great way to benefit from the country's solid financial services model.

Canadian banks are some of the largest and most profitable corporations in this country. With the industry's oligopolistic structure, the "Big Six" control over 90% share of the market. With their larger U.S. presence and strong domestic businesses, these banks offer some of the juiciest yields around.

High barriers to entry for new competitors and limited growth prospects allow these banks to distribute most of their profits among shareholders.

Among the infrastructure and transportation stocks, I recommend buying Enbridge and CN Rail . Both have wide economic moats, which are there to keep competition away. Both have dependable and growing dividends which should add a great strength to your income portfolio.

Finally, Telus has been a trusted dividend-growth pick for many years. Though I'm bullish on all major telecom operators in Canada due to their oligopolistic structur, Telus has a much superior asset mix when compared to other companies. Its decent 4.3% dividend yield is likely to grow further in the years to come.

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:ENB (Enbridge Inc.)
4. NYSE:TD (The Toronto-Dominion Bank)
5. NYSE:TU (TELUS)
6. TSX:CM (Canadian Imperial Bank of Commerce)

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Date
2025/09/12
Date Created
2017/08/18
Author
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