# Which 1 Is Better for Dividend Income: BCE Inc. or Rogers Communications Inc.?

## Description

Investment advisors strongly recommend having one or two telecom stocks in a retirement portfolio to earn steady and growing dividend income.



Telecom companies have very stable revenues because they provide us internet access and wireless connectivity, without which we can't imagine modern-day life.

No matter how much you hate their monthly bills, you don't have any choice but to subscribe to the services of one the three biggest operators in Canada.

Dividend investors often have to make a choice between **BCE Inc.** (TSX:BCE)(NYSE:BCE) and **Rogers Communications Inc.** (TSX:RCI.B)(NYSE:RCI) — two top telecom operators in the country. Let's see which one is better for your income needs.

### BCE

BCE runs Canada's largest telecom network with 21.92 million subscribers as of June 30. Its shares have been under pressure this year, mainly due to rising competition from smaller players, like **Shaw Communications Inc.**, in a battle to grab the larger share of the wireless market.

BCE stock is also lagging as the Bank of Canada raises interest rates — a move which is generally negative for the dividend-paying companies.

Despite this bearish spell, there's no immediate threat to the company's ability to pay dividends to its investors. With an yearly dividend yield of 4.9%, BCE stock offers one of the best returns among the mature Canadian companies.

For income investors, BCE provides stability to their income portfolios and has a long history of payouts. Investors have been getting the dividend cheques for the past 134 years from this great company — a history which is almost impossible to match.

**Rogers Communications**

Rogers is Canada’s second-largest telecom company, but it has the largest market share of Canada’s growing wireless segment, dominating about a third of the market’s revenue and subscribers.

Rogers stock has outperformed its competitors with a big margin this year on a 35% jump in its second-quarter profit following a gain in wireless subscribers.

Surging 24% this year, Rogers surprised many investors who were expecting a tough road ahead at a time when competition from smaller companies was heating up.

**Which one is better?**

From a valuation perspective, Rogers stock is certainly a bit expensive as income investors pin their hopes on better earnings to receive a dividend hike, which the company didn’t offer since the first quarter of 2015, when it boosted its quarterly payout by 5% to $0.48 a share.

BCE shares are trading at $58.17 at the time of this writing, close to the 52-week low of $56.80. I think this recent sell-off provides a good opportunity for income investors to earn a much higher dividend yield of 4.9% when compared to Rogers’s 2.98%.



**CATEGORY**

1. Dividend Stocks
2. Investing
3. Tech Stocks

**TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)

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