Retired? Here Are 2 Safe Dividend-Paying Stocks to Own

Description

Preservation of capital and dividend income are of utmost importance to those of us who have retired and are looking to continue to enjoy the standard of living they enjoyed in their working years.

Thankfully, we have utility stocks, which are well suited for this purpose, as they are typically a ray of light in both bull and bear markets.

As a North American leader in the regulated gas and electric utility industry, **Fortis Inc.** (TSX:FTS)(NYSE:FTS) boasts a history of long-term profitable growth and stability. And its asset base of regulated, low-risk, and diversified projects makes it clear why.

Within this framework, Fortis's growth strategy has included acquisitions. The two most recent acquisitions, ITC and UNS Energy, were immediately accretive and were the drivers behind the company's most recent results that came in ahead of expectations. The company reported second-quarter 2017 normalized EPS of $0.61, which was ahead of expectations of $0.55 per share.

Going forward, management has pointed out that in the short- to medium-term growth will rely on its organic opportunities rather than acquisitions. To this end, the company will make a $13 billion investment in capital expenditures in the next five years.

Longer term, Fortis will be working on increasing its renewables assets and unlocking LNG value.

Fortis currently has a dividend yield of 3.56% and has increased its dividend for 43 consecutive years. And, true to form, investors can expect a 6% annual average growth rate in dividends through to 2021.

With a dividend yield of 4.88%, and a stable and reliable history, **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) is another utility for investors who are concerned with stability, reliability, capital preservation, and income.

Since 1996, investors have enjoyed 22 years of dividend increases, with a 33% dividend increase in 2015, a 14% increase in 2016, and a 15% increase expected in 2017. And going forward, management expects the dividend to increase at a 10-12% cumulative average growth rate from 2017 to 2024.

This will be supported by organic growth opportunities, such as the Spruce Ridge gas pipe expansion in B.C., and continued streamlining of the business to achieve $540 million in cost synergies and $240 million in tax synergies related to the Spectra Energy merger that was completed in February 2017. The key is that this growth will be achieved through the company's low-risk business model.

And longer term, the Spectra Energy acquisition affords Enbridge with greater scale and diversity, strengthens the company's balance sheet and funding flexibility, and provides attractive synergies.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/09/21
Date Created
2017/09/18
Author
karenjennifer