3 Dividend Stocks for a Rich Retirement

Description

If you're retired or you're planning to retire within the next decade, then it's time to start adding conservative, high-dividend-paying stocks to your portfolio. You can still have a few growth stocks in your portfolio, but the core of your portfolio should be reliable high yielders, which will pad market volatility as you enter your golden years. You can't afford to take excessive amounts of risk at this stage, because if things go south, your retirement could potentially be delayed.

Here are three solid dividend payers that you can count on as you transition into passive-income mode:

Toronto-Dominion Bank (TSX:TD)(NYSE:TD)

While any Big Six Canadian bank would be a smart choice, I believe TD Bank really stands out when it comes to safety and growth. The bank has a solid risk-management strategy and a very high-quality retail-focused earnings stream which is subject to less volatility compared to many of its peers.

In addition, TD Bank has the largest presence in the U.S. market compared to its Big Six peers. The U.S. market is a place you really want to be over the long term, especially since the U.S. economy is expected to strengthen under Trump and his pro-business plan, which will eventually be put in place.

Shares of TD currently yield 3.5%, which may seem low compared to some of the other Canadian banks, but it's worth noting that TD Bank is very well positioned to raise its dividend at a higher magnitude on a consistent basis over the next five years.

Hydro One Ltd. (TSX:H)

Hydro One controls ~96% of Ontario's transmission network. That's pretty much a monopoly! Future cash flows don't get more predictable than that. Although further price hikes in Ontario are likely out of the question because of the government's fair hydro plan, the company still has a promising growth outlet thanks to its recent $6.7 billion acquisition of Avista Corp.

The Avista deal wasn't cheap, but it opens many doors to many long-term growth initiatives that will support dividend raises for many years to come.

The company offers a dividend which currently yields 3.89% and is as close to a guaranteed payment as you'll get. In the event of an economic downturn, the dividend is very likely to remain intact due to the stable, nearly guaranteed cash flows that the company will rake in, even in the worst of times.

Pure Industrial Real Estate Trust (TSX:AAR.UN)

PIRET isn't your typical slow-growth, boring REIT. The company owns and manages industrial properties in North America, a huge chunk of which are meant for tenants in the e-commerce space.

In a study conducted by CRBE, every $1 billion worth of e-commerce sales requires 1.25 million square feet of logistics space. That's money in the bank for PIRET, which has been aggressively consolidating its fragmented industry.

The trust currently yields a fat 4.84% and is expected to enjoy capital appreciation as the red-hot e-commerce industry continues to grow.

CATEGORY

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2. TSX:H (Hydro One Limited)
3. TSX:TD (The Toronto-Dominion Bank)

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Date
2025/09/09
Date Created
2017/09/26
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