3 Excellent Dividend Stocks for Retirees

Description

If you're a retiree looking for a great dividend stock to buy today, then you've come to the right place. I've scoured the market and selected three quality stocks with high and safe yields of 3-8%, so let's take a closer look at each to determine if you should invest in one or more of them today.

Acadian Timber Corp.

Acadian Timber Corp. (TSX:ADN) is one of the leading suppliers of primary forest products in eastern Canada and the northeastern United States. It's also the third-largest timberland operator in New Brunswick and Maine with a total of 2.4 million acres of land under management.

Acadian currently pays a quarterly dividend of $0.275 per share, equating to $1.10 per share on an annualized basis, giving it a yield of about 5.8% at the time of this writing.

It's important to note that Acadian has raised its annual dividend payment for two consecutive years, and that its 10% hike in February has it on pace for 2017 to mark the third consecutive year with an increase. The company also has a long-term dividend-payout target of 95% of its free cash flow, so I think its strong growth, including its 5.7% year-over-year increase to $0.56 per share in the first half of 2017, will allow its streak of annual dividend increases to continue in 2018 and beyond.

Royal Bank of Canada

Royal Bank of Canada (TSX:RY)(NYSE:RY), or RBC for short, is the second-largest bank in Canada as measured by assets with $1.2 trillion in total as of July 31. It provides a wide range of financial products and services to over 16 million clients in Canada, the U.S., and in more than 30 other countries around the world.

RBC currently pays a quarterly dividend of $0.91 per share, equating to $3.64 per share on an annualized basis, which gives its stock a yield of about 3.7% at the time of this writing.

Foolish investors must note that RBC has raised its annual dividend payment each of the last six years, and that its recent hikes, including its 4.6% hike in August, have it positioned for 2017 to mark

the seventh consecutive year with an increase. The banking giant also has a target dividend-payout range of 40-50% of its adjusted net income available to common shareholders, so I think its continually strong growth, including its 10% year-over-year increase to $8.16 billion in the first nine months of fiscal 2017, will allow its streak of annual dividend increases to easily continue into the 2020s.

Altagas Ltd.

Altagas Ltd. ([TSX:ALA](#)) is one of North America's largest owners and operators of energy infrastructure. Its portfolio includes natural gas gathering and processing plants, natural gas pipelines, regulated gas distribution franchises, and wind, hydro, biomass, and natural gas-fired power generation facilities.

Altagas currently pays a monthly dividend of $0.175 per share, equating to $2.10 per share on an annualized basis, and this gives it a yield of about 7.45% at the time of this writing.

It's important for investors to note that Altagas has raised its annual dividend payment each of the last six years, and that its 6.1% hike in August 2016 has it on track for 2017 to mark the seventh consecutive year with an increase. The infrastructure company also has a dividend-growth target of 8-10% annually through 2021, and I think its consistently strong operational performance, including its 4.8% year-over-year increase in normalized funds from operations to $1.74 per share in the first half of 2017, will allow it to extend this target into the late 2020s or early 2030s.

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1. Dividend Stocks
2. Investing

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1. Editor's Choice

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1. NYSE:RY (Royal Bank of Canada)
2. TSX:ADN (Acadian Timber Corp.)
3. TSX:ALA (AltaGas Ltd.)
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