



3 Best Dividend Stocks to Buy for Retirement Income

Description

When it comes to creating a passive-income portfolio for your retirement, companies with a stable dividend track record are your best friends. Here is why.

Companies with long histories of rewarding investors through dividend payouts generally belong to mature and established sectors, where you are not going to see too many surprises. This works nicely for your income portfolio because you want predictability in your income during your golden years.

So, when you are ready to invest for your retirement, look for companies that have wide moats — meaning a competitive advantage to defend themselves against competition. And they should be selling products and services without which we cannot imagine a normal life.

I have picked three dividend stocks you might want to consider for your income portfolio.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)), no doubt, has a wide moat. BCE runs Canada's largest telecom network with 21.92 million subscribers as of June 30. And this business is not going to die anytime soon.

We need connectivity, no matter what device we use and how much we hate our monthly telecom bills. This stickiness turns the telecom operator into a huge cash machine.

Investors have been getting dividend cheques from BCE for the past 134 years — a remarkable history of rewarding its investors.

With a dividend yield of 4.86%, which translates into a quarterly payout of \$0.72 a share, BCE stock offers a long-term value and growth for your portfolio.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is another stock I highly recommend to achieve stability in your retirement income.

This bank is a top performer among Canadian lenders due to its superior income generation and dividend growth.

Those who are not familiar with the Canadian banking industry will be surprised to know that we have a kind of banking oligopoly in this country, where top five banks dominate the market. These banks operate in a sound regulatory environment and distribute almost half of their income in dividend payouts each year.

Bank of Nova Scotia has a very strong local and global presence and a solid track record of growing its dividend.

With a dividend yield of 3.91%, the lender pays a \$0.79-a-share quarterly payout after announcing two hikes so far this year. You can count on Bank of Nova Scotia for a regular income stream for many years. The lender has paid a dividend every year since 1832.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)), the world's largest pipeline operator, has all the qualities that make a company attractive for income investors.

The company has been paying dividends to its shareholders every year since 1953. This long history suggests that you can rely on its dividend cheques during recessions, oil market downturns, and financial crises.

Offering a dividend yield of 4.71%, Enbridge is also a great dividend-growth stock. Over the past 10 years, its quarterly dividend has grown to \$0.48 a share from \$0.16.

For the next eight years, Enbridge plans to raise its payouts between 10% and 15% each year as its undertakes several growth projects.

CATEGORY

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
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