



2 Dividend Stocks Yielding up to 6% to Boost Your Monthly Income

Description

I am a big fan of stocks that send [monthly dividend](#) cheques to retirees.

During your golden age, you may need to rely on your income portfolio to pay for your electricity, gas, and grocery bills. In that scenario, having monthly cheques arrive in your mailbox is a great advantage.

Another big benefit of investing in monthly dividend stocks is that you get a much better compounding effect when you reinvest dividends to buy more shares.

If you're receiving dividends every month, you can use them to reinvest in more stocks and have those dividends grow more. The faster you reinvest those dividends, the faster they'll compound interest.

Keeping this theme in mind, I have picked two stocks that pay regular monthly dividends.

RioCan REIT

To earn stable monthly income, Canada's [real estate investment trusts](#) (REITs) provide a great avenue. Instead of becoming a landlord and dealing with the hassle of managing rental properties on your own, REITs offer a stake in companies that professionally manage a rental portfolio and then distribute income among the shareholders.

In this category, I like **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)), Canada's largest REIT. It manages 299 retail properties across Canada.

RioCan's tenants include top-quality names, such as **Canadian Tire**, **Cineplex**, and **Dollarama**. These anchor tenants protect RioCan portfolio from volatility, providing a steady stream of cash flows.

In a changing retail environment when e-commerce is threatening many large names, RioCan is in the process of transforming its business model. Its new strategy includes exiting from smaller Canadian markets and focusing on six big urban areas.

RioCan has a solid track record for its monthly distribution. It has paid dividends for the past 22 years

without a break. During that period, it has raised its annual distribution 16 times.

RioCan is a safe bet in the real estate space, as it generates enough rental income to manage its monthly distribution of \$0.1175 per unit. At the time of writing, the payout provides an annualized yield of 5.5%.

Inter Pipeline

Inter Pipeline Ltd. (TSX:IPL) is a Calgary-based energy infrastructure company, running a large oil pipeline network, transporting energy products from Canada's western province, processing natural gas, and managing bulk storage facilities for liquid energy assets in Europe.

IPL has recently acquired Williams Canada for \$1.35 billion and plans to build a \$1.85 billion polypropylene manufacturing plant by 2021.

Trading at \$26 a share, IPL offers 6.48% annual dividend yield, which translates into a \$0.135-a-share monthly dividend.

IPL has never missed its dividend since it started the monthly distribution in 2003. The dividends have grown over time, doubling in the past 10 years.

IPL stock is under pressure this year due to general weakness in the energy space and on concerns about the company's expansion plans. But for long-term income investors, this is a good entry point, as IPL has a very reasonable payout ratio of ~57% with a lot of room to grow its distribution.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/07/05

Date Created

2017/11/18

Author

hanwar

default watermark

default watermark