



## 2 Dividend Stocks for Retirees to Earn Monthly Income

### Description

I always preach the benefits of buying and holding top-quality stocks that [pay monthly dividends](#). This strategy works very well for retirees who rely on their dividend income to pay their bills.

Getting monthly dividends cheques is a great advantage in your golden age. You can use this money to pay your monthly bills without dipping into your savings.

The other benefit of investing in monthly stocks is that you get a better compounding if you re-invest the dividends to buy more shares. **Pizza Pizza Royalty Corp.** ([TSX:PZA](#)) and **RioCan Real Estate Investment Trust** ([TSX:REI.UN](#)) are two stocks I particularly like for monthly income. Here is why.

#### Pizza Pizza

This food brand is a great pick for retirees to earn a juicy dividend yield. The stock pays \$0.0713 per share monthly dividend, or \$0.8556 annually, yielding 5.54% at the time of writing.

This payout has increased by 19% since 2012 to reflect the strong quarterly results, positive same-store sales growth, and growth in the working capital reserve.

Trading at \$15.54 a share, Pizza Pizza stock has fallen ~10% in the past one month, as the company announced weak third-quarter earnings due to softer sales in Alberta.

Pizza Pizza Royalty, which owns the Pizza Pizza and Pizza 73 brands, reported \$139 million sales for the period from 751 restaurants in the royalty pool, up 1.6% from the same quarter last year. Same-store-sales growth fell 0.5% quarter over quarter. Earnings came in at \$0.216 per share, down 2.4% compared to the same quarter in 2016.

I think this dip provides a good opportunity to lock in a higher yield from this top food brand in Canada.

#### RioCan REIT

[RioCan](#) is Canada's largest REIT, managing quality rental assets in North America. The stock offers a

high dividend yield backed by a long history of rewarding investors with monthly dividends.

REITs in Canada provide a good avenue to earn stable rental income to investors who like real estate and see long-term value in this asset class. These structures are designed to distribute the maximum income to their unitholders.

RioCan is a solid name from this sector, offering a dividend yield of 5.56%, which translates into \$0.1175 monthly payout.

The company is in the middle of restructuring its business with plans to sell about \$2 billion worth of properties in smaller Canadian markets and shift its focus on the six largest cities.

According to media reports, RioCan plans to use half of the proceeds to buy back its shares from the market. RioCan shares have gained about 6% since this announcement, signaling a rebound after trading lower for most of this year.

### **The bottom line**

For future retirees hungry for a higher yield, both Pizza Pizza and RioCan offer good value with returns more than 5%. I would recommend buying both stocks to hold for a long time to help you pay your monthly bills when you enter your golden age.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:PZA (Pizza Pizza Royalty Corp.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

### **PARTNER-FEEDS**

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

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