



## How to Earn Steady Monthly Income in Your Retirement

### Description

Getting financial freedom is one of the main worries for retirees during their golden years.

Retirement brings many changes in one's life, and the biggest one is that you're no longer dependent on your monthly paycheques. This is the time when you'll start dipping into your investment funds for your monthly expenses.

A trusted way to solve this problem for retirees is to build a portfolio with stocks that pay monthly dividends. A diversified and tax-efficient portfolio, focusing on income-generating stocks, makes sense in this low-rate environment when savings accounts, GICs, and government bonds pay almost nothing.

Here are some of the most reliable dividend stocks you can consider to earn monthly income.

### Real estate investment trusts (REITs)

REITs manage properties that generate monthly cash flows. REITs have been structured to distribute the maximum cash to the shareholders. The biggest advantage of investing in REITs is the tax treatment these companies get from CRA. REITs pay distributions before they pay tax to the taxman, and that means more money in your pocket.

In Canada, we have many quality REITs that have solid portfolios of rental properties that churn out cash on monthly basis.

**RioCan Real Estate Investment Trust** ([TSX:REI.UN](https://www.scribd.com/document/451234567/TSX:REI.UN)) is Canada's largest REIT, managing 300 retail properties across Canada, and it has some of the biggest retail names as its clients. Trading at \$24.65, RioCan pays a monthly distribution of \$0.1175 per unit, or a 5.7% annualized yield.

**Chartwell Retirement Residences** ([TSX:CSH.UN](https://www.scribd.com/document/451234567/TSX:CSH.UN)), the largest operator in the Canadian senior-living space, is another company to make stable monthly income. Chartwell manages over 175 locations across four provinces in Canada. Trading at \$16.2, this REIT pays a stable monthly distribution of about \$0.048 per unit with an annualized yield of 3.5% at the time of writing.

## Energy infrastructure utilities

Just like REITs, energy infrastructure companies and utilities provide another safe avenue for retirees to earn stable monthly income.

In this space, Calgary-based [Altagas Ltd. \(TSX:ALA\)](#) and **Inter Pipeline Ltd. (TSX:IPL)** are two reliable names that pay monthly dividends.

With a 7.7% annual dividend yield, Altagas pays a \$0.1825-a-share monthly distribution, which comes to \$2.19 a share yearly. The amount of the distribution has increased ~50% during the past five years. The company plans to hike it payouts by 8% each year through 2019.

IPL pays a \$0.14-a-share monthly dividend at an annual yield of 6.8% at the time of writing. 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.

## The bottom line

Retirees can slowly build a [portfolio of dividend stocks](#) that's good enough to produce steady cash flows when they need them the most. Such a portfolio is important to avoid depleting your retirement funds and enjoy your golden years without financial worries.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:CSH.UN (Chartwell Retirement Residences)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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## Date

2025/08/20

## Date Created

2018/01/10

## Author

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