



## Retired? These 3 Income-Producing Stocks Will Help You Sleep at Night

### Description

For those living off retirement income, the trick is to strike a careful balance between yield and capital preservation.

These three companies all operate in low-risk industries, meaning your risk of permanent capital impairment is relatively minimal. Additionally, they offer yields between 4% and 6%, offering potential for a steady income stream without precariously chasing riskier “high yield” securities.

#### **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#))

BCE operates Canada’s largest telecommunications network and is one of the country’s largest publicly traded companies, following the merger of Bell Canada and Northern Telecom back in 1983.

In addition to its fixed line, wireless, television and internet services businesses, BCE also owns an 18% stake in the Montreal Canadiens NHL franchise and a 37.5% interest in Maple Leaf Sports and Entertainment, which owns the Toronto Maple Leafs NHL team, the Toronto Raptors NBA franchise, and the Major League Soccer team, the Toronto FC.

BCE shares yield 4.82% with the company having raised its dividend by 3.6% in 2017.

The company’s payout ratio currently sits at 87.8%, so you shouldn’t expect any huge increases in the dividend any time soon, but at the same time, the businesses BCE operates are pretty low-risk in nature, so there isn’t a huge risk of the company cutting that payout.

This is the kind of stock you can park your money in, sit back, and collect the \$0.72 quarterly dividend, while not losing any sleep at night worrying about the safety of your investment.

#### **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#))

CIBC is my [preferred dividend holding among the Canadian banks](#).

Unlike the U.S. financial system, which is highly fragmented among many smaller regional banks that

are forced to compete with each other aggressively to maintain market share, the Canadian financial system is a much different beast.

We all know how aggressive lending practices can lead to financial crises, as they did a little less than 10 years ago in the U.S., but in Canada the lenders are more comfortable “not rocking the boat,” so to speak.

That’s because they know that as there is only a handful of major players competing with each another for their respective share of the Canadian market, and as a result, there’s enough “pie” to go around for everyone.

CIBC shares yield 4.27%, having increased the payout twice in the last 12 months.

The bank is coming off a strong year in 2017, so there very well may be more increases on the way.

**Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge finds itself going through a transition these days following the company’s \$37 billion acquisition of Houston-based Spectra Energy.

There’s no question that the Spectra deal has set the company up with a more diversified business that will help it generate a more stable and consistent cash flow stream for at least the next decade, if not longer.

Yet the \$37 billion price tag did not exactly come cheap, which means that now the company more than likely will have to slow down the pace of its dividend increases compared to in years past.

The result is that Enbridge now looks a lot more like a traditional utility company rather than the growth company it used to market itself as to investors.

The shares yield 5.06%, and the stock is only a couple of dollars above its 52-week lows, which means [now might be a good time](#) to start initiating a position in the oil and gas company.

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1. Bank Stocks
2. Dividend Stocks
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1. Editor's Choice

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1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
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5. TSX:CM (Canadian Imperial Bank of Commerce)
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