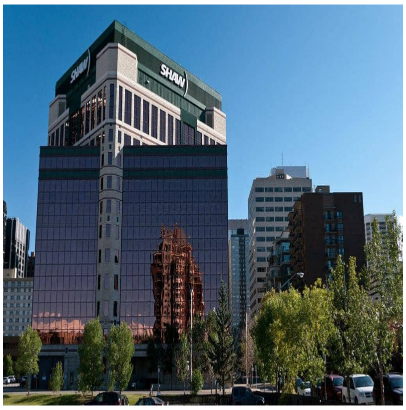

# 2 Smart Ways to Bolster Your Monthly Income

## Description

When it comes to monthly income stocks, your selection is limited compared to shares of companies that payout distributions or dividends on a quarterly basis.



If you're an income investor who relies on payouts to support living expenses, however, the convenience of a monthly payout is incredibly attractive. It puts your income stream in cruise control and eliminates the chances of overspending on any given month if you had to allocate quarterly payouts into three equal chunks manually.

With that in mind, it's not a mystery as to why many retirees favour monthly payout stocks with the highest upfront yields. Payout frequency and yield are two arbitrary traits that are important to retirees, but I think they're overrated, especially if you're an investor who wants to continue to grow their nest egg well after they've entered retirement.

While getting paid the most upfront may seem like the best strategy, it's not the best long-term choice, especially when you consider that today's retirees are expected to live for many decades. That's a lot more money needed. And when you factor contingent expenses into the equation, it's clear that retirees are either going to need to delay their retirements in order to accumulate a larger nest egg or adopt a more conservative strategy that will lead to lower upfront payouts, but will serve to grow a payout (and invested capital) over the course of decades.

When retirees finally enter their golden years, it's enticing to live a lavish lifestyle by getting the most yield from investments without compromising on safety. For most retirees, the following traits take precedence in descending order: safety, yield, and payout frequency.

Today, a retiree can have all three traits. However, if they completely neglect growth, a retiree stands to see their nest egg potentially shrink as contingent can cause your nest egg to crack (and possibly shrink) in time. Next thing you know, you may find that you'll need to jump back into the workforce as many of today's seniors have been doing.

I'm not trying to scare or discourage you from retiring in accordance with your original plan. Instead, I'm urging retirees to consider the underrated trait of dividend (or distribution) growth.

Growth, although not as crucial as other traits (like safety) for a retiree, is still important and that makes the job of a retiree even harder.

Are there any securities out there that offer safety, a high yield, a high payout frequency and above-average growth?

There is, and both **Shaw Communications Inc.** (TSX:SJR.B)(NYSE:SJR) and **SmartCentres Real Estate Investment Trst** (TSX:SRU.UN) possess all these qualities. Best of all, they're typically passed on by retirees because they're slightly more volatile than that of other popular investments, including large diversified REITs and various fixed income products.

If your intent is to hang onto a stock throughout retirement while relying solely upon an income stream, the additional volatility shouldn't bother you.

Both Shaw and SmartCentres have been choppy (and battered) over the past year thanks to their respective plate of issues.



Shaw's **Corus Entertainment Inc.** went sour, and it's also poised to spend a considerable amount to bolster its wireless network to compete with the oligopoly players in the telecom space. While the waters are rough today, I believe they'll be much calmer in the future, especially with a beefed-up wireless network that will stand to grab market share away from incumbent leaders in the industry.

SmartCentres has been walloped thanks to continued fears over the state of brick-and-mortar retail. While the REIT is still a play on physical retail, the public has wholly neglected SmartCentre's above-average growth potential. The trust is making moves to diversify away from retail and into more favourable residential communities. Moreover, SmartCentres is also breaking into the self-storage scene in a joint venture with SmartStop Asset Management, LLC to capture a chunk of a red-hot Canadian self-storage market.

**Foolish takeaway**

Shaw and SmartCentres have yields of 4.5% and 5.9%, respectively. And while they have been more volatile than typical retiree-friendly names, both these securities can offer safety, yield, growth and monthly payouts.

Stay hungry. Stay Foolish.

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**TICKERS GLOBAL**

1. NYSE:SJR (Shaw Communications Inc.)

2. TSX:SJR.B (Shaw Communications)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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