4 Dividend Stocks for a Retirement Portfolio

Description

A survey released by Royal LePage in August revealed that 23% of all baby boomer households still had at least one child living at home. Of those, 9% expected their child to stay in the family home beyond the age of 35. The rate of home ownership has declined since 2011, which has generated pressure on policy makers to institute changes. The CMHC recently unveiled rules to make it easier for self-employed people to qualify for mortgages.

This development also means that retirees and those on the verge of retirement will be faced with a greater burden than previous generations. Recent studies have also shown that Canadians have failed to keep up with other developed nations in saving for retirement.

Today, we are going to look at four stocks that provide opportunity for capital growth as well as solid dividends.

Waste Connections (TSX:WCN)(NYSE:WCN)

Waste Connections is the third-largest integrated provider of traditional solid waste and recycling services on the continent. It operates nearly 100 active landfills, over 100 transfer stations, and over 60 recycling operations. Shares were up 16.1% in 2018 as of close on August 9.

In the second quarter, Waste Connections exceeded its outlook and posted revenue of $1.24 billion. Adjusted net income rose 18.2% year over year to $172.3 million, or $0.65 per share. The stock offers a quarterly dividend of $0.14 per share, which represents a modest 0.7% dividend yield.

Goeasy (TSX:GSY)

Goeasy stock rose 5% on August 9 and has surged after the release of its second-quarter results. Back in July, I'd targeted Goeasy as my top financial stock for millennials as it is well positioned to take advantage of evolving trends in personal finance. The stock is up over 25% month over month.

In the second quarter, Goeasy posted loan book growth of 121.7% year over year, and revenue climbed 26.4% to $123.3 million. The board of directors approved a quarterly dividend of $0.225 per share, which represents a 1.5% dividend yield.

Stelco Holdings (TSX:STLC)

Stelco is a Hamilton-based steel company. Shares fell 3% on August 9. Canadian steel companies have been forced to adapt to challenges after the Trump administration imposed tariffs worth 25% effective June 1. There is also major concern that the White House could move forward on automobile tariffs, which could have a more dramatic impact on Stelco and other steel producers. This is worrying for Stelco, as it has pinned its growth strategy on its foray into the auto industry.

The good news is that Stelco's earnings have been stellar since its IPO in late 2017. In the second quarter, it reported that revenue rose 67% year over year to $711 million, and adjusted EBITDA soared 130% to $175 million. Stelco declared a special cash dividend of $1.69 per share in addition to its regular $0.10 dividend.

Genworth MI Canada (TSX:MIC)

Genworth stock fell 1.7% on August 9, but shares have climbed 5% over the past three months. The company avoided fallout from new OSFI regulations in January, as insured buyers were already subject to a stress test as of late 2016. Genworth's business has also received a boost from higher interest rates that have bolstered margins. The stock offers a quarterly dividend of $0.47 per share, representing a 4.2% dividend yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:GSY (goeasy Ltd.)
3. TSX:STLC (Stelco Holdings Inc.)
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