

AltaGas Ltd. (TSX:ALA) and Enbridge Inc. (TSX:ENB): 2 Top High-Yield Dividend Stocks to Ramp Up Your Retirement Income

Description

Are you always looking for better ways to get your money working for you to increase your [retirement income](#)?

High-yield dividend stocks can be a tricky proposition, but the income that is made from these stocks sets investors up to accumulate wealth well into retirement.

Let's look at two top high-yield stocks that might be interesting picks for your retirement fund today.

AltaGas ([TSX:ALA](#))

With a dividend yield of 8.84%, AltaGas stock is paying its shareholders handsomely. But don't let the high [dividend yield](#) trick you into being fearful.

With its diversified infrastructure platform of high-quality assets and 80% of its EBITDA coming from contracted medium- and long-term agreements, AltaGas has stability on its side.

In the last five years, AltaGas has grown its asset base to over \$10 billion from \$3 billion through acquisitions as well as construction projects, and it has delivered a compound annual growth rate in its dividend of 9%.

In the last two years, the dividend-growth rate has been almost 6%; going forward, dividend growth will be supported by new projects as well as the accretion from the WGL acquisition.

WGL's high-quality assets and market position will bring AltaGas many growth opportunities as well as significant earnings and cash flow accretion.

The company's payout ratio and liquidity are both relatively healthy, thus enabling it to have flexibility to support dividend hikes.

We can expect further asset sales this year that will help fund the acquisition, and this should take some of the uncertainty out of the stock and drive AltaGas stock higher.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge stock is another dividend-paying behemoth that has seen weakness, and that is now trading at an elevated dividend yield of 5.93%.

Since 1996, investors have enjoyed 22 years of dividend increases, with a 33% dividend increase in 2015, a 14% increase in 2016, and a 15% increase in 2017. Management expects the dividend to increase at a 10% compound annual growth rate from 2017 to 2020.

This year, Enbridge has addressed many of the concerns that investors had about the stock, and so it has rallied 20% off its lows of April 2018.

Enbridge's recent asset sales have addressed the funding issue, the approval of L3R was key, and the strong first half of 2018 results injected confidence in Enbridge stock.

In addition to this, the company increased 2018 guidance and reiterated its confidence in its two-year growth plan (10% annual dividend-growth rate).

Finally, the addition of Spectra Energy has provided visibility into growth well beyond the 2020 time frame.

In summary

We can see that these two stocks can provide reliable, steady income for investors' retirement now and well into the future.

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1. Dividend Stocks
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