Retirees: Boost Your Income by $100 a Month With Any of These 3 Dividend Stocks

Description

If you're on a fixed income, then dividend stock can be very valuable to you. After all, a savings account will likely pay you around 1% or less on your balance, while dividend stocks can pay much more. While there will be more risk than what you'll have with a savings account, there's a lot more earning potential as well.

And there are plenty of safe investments to choose from as well. **RioCan Real Estate Investment Trust** (TSX:REI.UN) is a well-diversified REIT that can provide investors with lots of stability, and dividend income. With monthly payments of 12 cents per share, buying the stock today would mean that you'd be earning a dividend yield of 5.5% per year.

That means that if you'd want to add $100 a month in income, you'd need to invest at least $22,000. And if you've got the room, you can put that into a TFSA and now that income becomes tax-free as well. The more you have to invest, the higher that the dividend payments can go.

Many dividend stocks pay quarterly, and that's where ones like RioCan might be more appealing to investors who are looking for some more consistent cash flow. With the stock trading around book value, it's also a decent value buy for investors that don't want to pay a big premium.

If you are looking for an option to earn more capital appreciation, then **Shaw Communications Inc** (TSX:SJR.B)(NYSE:SJR) could be a more enticing option than RioCan. It too payments a monthly dividend, and at just under 10 cents a share, it is currently yielding around 4.2% per year. Since the stock offers more growth potential, investors will have to pay a bit more to get the same dividend income. An investment of about $28,000 would be enough to get you $100 a month in dividends with Shaw.

However, with the company building up its wireless brand, there are going to be some good growth opportunities by investing in this telecom stock. As one of the top brands in its industry, you can also expect a lot of stability from Shaw, especially with a limited number of competitors. It's not as cheap a buy as Riocan is as it's currently trading around 2.3 times book value, but it can still be a great buy.

Pembina Pipeline Corp (TSX:PPL)(NYSE:PBA) is another option if you've got more of an appetite for some risk. The oil and gas stock has done very well in the past year, climbing around 29%, and with oil prices getting stronger there's still some potential for even more growth. There's been a lot of excitement around the share price lately, as it was trading right around its 52-week high heading into the week.

The opportunity to earn capital appreciation is a big one, but don't forget about the stock's great dividend. Pembina pays a monthly dividend of 19 cents per share, which currently equates to an annual yield of 4.5%. To get to $100 in dividend every month, you'd need to invest over $26,000 in Pembina's stock.

Although the stock is in a volatile industry, at a price-to-book multiple of 2.1, investors aren't paying a big price tag for this stock and it could more than pay off in the end.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)
5. TSX:SJR.B (Shaw Communications)

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