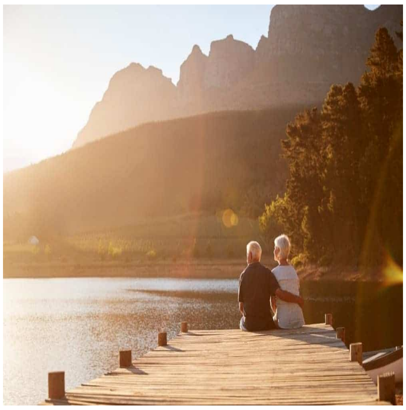

Passive-Income Fans: 2 Monthly Dividend Stocks to Retire Rich

Description

For investors who'd rather receive their dividend payments every month rather than a quarterly basis, there's a fine collection of monthly income payers scattered across the TSX. If you depend on your dividends to support your lifestyle, having a monthly dividend simplifies things a lot, especially if you're the type to break your monthly budgets after divvying up your past quarterly dividend across the span of three months.

Not only are monthly income stocks great for those who live off their investment dividends or distributions, but they're also terrific for active investors who want to keep their powder dry for unexpected dips that present themselves. Market dips happen unexpectedly, and if you're waiting until the end of the quarter to collect from one of your bigger dividend-paying holdings, you could risk missing the dip should a sharp rebound happen before your next quarterly dividend payment.

Of course, you should always have a portion of your wealth allocated to cash in a savings account. But for the younger investors out there who want to keep a majority of the limited TFSA funds in equities with a minimal amount portion in cash or cash equivalents, it's far better to get cash back monthly, rather than quarterly, especially in today's volatile environment, where a single tweet from Donald Trump could trigger unexpected spikes in the fear gauge.

While the difference between quarterly and monthly dividend payments may be negligible to most, I think it's much better to be paid more frequently, especially in extremely volatile times where opportunistic dips come and go over the course of weeks or even days!

If you're in the market for monthly income payers, consider the following two attractively valued names.

Inter Pipeline (TSX:IPL)

For the seasoned investor who's willing to take on more pain for more gain, Inter Pipeline is a solid monthly income play.

The ailing energy transporter has taken a big hit to the chin since the big oil plunge of 2014. At the time of writing, the stock is down over 45% from its peak level (ouch!) but has recently touched down with a long-term support level at around $20.

The stock currently sports a massive 8.24% dividend yield, which is undoubtedly one of the main attractions to shares of the battered pipeline firm — the other being the rebound potential should the oil sands see some sort of relief moving forward.

Fellow Fool contributor Daniel Da Costa noted that Inter Pipeline appears to have a fairly solid funds from operation (FFO) and dividend-growth trajectory, praising the firm for its 5.3% and 7.3% in dividend CAGR over the last five and 10 years, respectively. While the company is definitely in a "tighter" financial situation, Da Costa seems to think that the company's FFO growth potential is encouraging.

While growth has definitely slowed down, I think the risk/reward trade-off is pretty favourable for long-term, income-oriented investors who have a contrarian mindset.

Shaw Communications (TSX:SJR.B)(NYSE:SJR)

Shaw is a heck of a lot more than a "Steady Eddie" dividend-paying telecom. Many Canadians may believe that Shaw's a pretty mature player in the telecom space, but through Freedom Mobile, Shaw's wireless carrier, there's a world of growth at Shaw's fingertips.

Shaw is essentially a rookie in the wireless arena, and although there's a lot of ground to cover to catch up to the Big Three, analyst predictions like Shaw being the first to offer "unlimited 5G data" plans in Canada are very encouraging. That could be enough to get the snowball rolling down the hill, so as the wireless tech landscape changes over the next few years, it'll be interesting to see how Shaw's disruptive strategy evolves.

Sure, Freedom Mobile is a smaller, inferior wireless provider in Canada, but as investors, we're more interested in where the puck is headed next, not where it's been already. The growth potential with Freedom Mobile has me licking my chops, as it could be a major driver of dividend growth over the next 10 years.

In the meantime, there's a fat 4.34% dividend yield to keep investors patient. If you're looking for stable monthly income and solid long-term growth, I see few better options than Shaw at this juncture.

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