



## Boost Your Retirement Income With These 2 Stocks

### Description

A tried, tested, and true method to boost your retirement income is to adopt a dividend-growth strategy. A portfolio that is focused not only on yield but on consistent dividend growth as well will provide investors with a healthy income stream.

The best place to start your due diligence is the Canadian Dividend Aristocrat list. These are companies that have raised dividends for at least five consecutive years. As such, they have gained a reputation as dividend-growth stocks.

Next, yield can also be an important factor for investors — especially those near or at retirement. One of the best places to look for juicy yields is the oil and gas midstream industry. These aren't energy producers but are companies that are engaged in the transportation of energy such as pipelines.

With that in mind, here are two pipelines that [generate plenty of income](#) for shareholders.

### Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#))

Pembina is one of the best pipelines in the industry. It has total capacity of approximately three million barrels of oil, serving markets and basins across North America. Year to date, shareholders have enjoyed healthy returns as the company's stock price is up 20%.

This [midstream company](#) yields 4.98% and has a seven-year dividend-growth streak. Over the past five and three years, it averaged 6.4% and 7.6% dividend growth, respectively. Investors can expect reliable dividend growth moving forward, as it has one of the best expected growth rates in the industry. Analysts expect the company to grow earnings by 10.53% on average over the next five years.

Is the dividend safe? Without question. The company has a target to keep dividends below 100% of fee-based distributed cash flow (DCF). Why fee-based DCF? Because these are more reliable and stable cash flows. In 2019, its payout ratio as a percentage of DCF is expected to be only 76%. As such, it is well positioned to pay down debt, repurchase shares, and grow its dividend.

## Inter Pipeline (TSX:IPL)

Inter Pipeline has been on a tear in 2019. So far this year, the company's stock price is up 34.29% which is a nice change of pace for the company. It had a rough 2018 and despite the run-up in share price is still trading at a 20% discount to its 52-week high.

As of writing, the company has a very attractive 8.30% yield. Although a high yield is usually a red flag, don't expect a dividend cut any time soon. For starters, the dividend as a percentage of earnings is misleading for midstream companies. It is always best to look at dividends in relation to cash flow. In 2018, the company grew cash flow from operations by almost 12% annually and it generated \$2.80 per share in 2018.

At a forward payout of only \$1.71 per share, the dividend accounts for only 61% of funds from operations. Much like Pembina, the dividend is also fully underpinned by cost-of-service and fee-based cash flow. The dividend is safe, as is the company's 10-year dividend-growth streak.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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mlitalien

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