3 Dividend Stocks to Include in Your Retirement Plan

Description

If you're planning for your retirement, you know that what you'll get from the government from the CPP and OAS will be limited. And that's why dividend stocks can play an important role in generating some valuable income for your retirement. Below are three solid dividend stocks that can help you accumulate cash and hopefully fill in for any shortfalls.

Rogers Communications Inc (TSX:RCI.B)(NYSE:RCI) is a solid blue-chip stock that you can hold for decades knowing it has a safe place atop of the industries it operates in. It's as close to a buy-and-forget stock as there is on the TSX. With lots of diversification in its sales along with strong, stable profits, you've got one of the best and biggest stocks in Canada to hold in your portfolio.

While its dividend of 2.9% might not be terribly high, the 120% returns that the stock has generated over the past decade should help make up for any deficiency. And as the economy continues to get stronger, there will be more potential for more growth for Rogers down the road. The company has generated more than a billion in free cash flow in each of the past five years, which will help give Rogers the flexibility it needs should it decide to get into another industry or make a big investment to help grow its numbers.

Laurentian Bank of Canada (TSX:LB) may not be one of the big-five banks, but that can help give you a better deal on the stock. Not only is the stock a cheaper buy, trading at around 11 times its earnings and less than book value, but it also pays a higher dividend. At 5.8% annually, Laurentian can provide shareholders with a very good payout. The company also has a good track record for increasing dividend payments and they hiked them earlier this year. In five years, the company's payouts have risen by 27%.

Laurentian has produced steady, strong results over the years, with net income rising 9% last year and 36% the year before that. Despite the strong results, Laurentian's stock has struggled over the past 12 months, with returns being flat over that time. However, given how cheap the stock is today, there's little reason to expect that the share price will decline further; it's up 18% year to date.

Savaria Corporation (TSX:SIS) is the smallest stock on this list, but that also makes it a good buy for its growth potential. Specializing in personal mobility, the market for its products is only going to rise as we see more people retiring and as the country shifts to an older demographic. However, investors have started taking notice of the stock already, as in the past five years it’s climbed 250% in value.

The company has generated strong and growing profits over the years while also seeing sales more than double in just three years. Those numbers could grow even stronger further down the road.

Savaria pays its shareholders a monthly dividend that’s currently yielding around 3.3% per year and last year it increased its payouts. This stock can you give you a good mix of growth, dividends and value, making it a very intriguing buy and a good way to help diversify your portfolio.

CATEGORY

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2. Investing

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:LB (Laurentian Bank of Canada)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:SIS (Savaria Corporation)

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