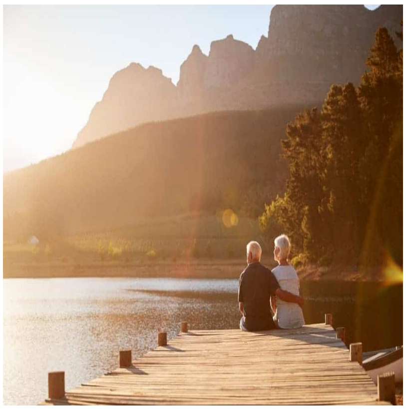

RETIREES: $250,000 Invested in This Stock Pays More in Dividends Than a Full Year of CPP

Description

Did you know that the maximum monthly CPP payment for 2019 is just $1,154?

That adds up to just $13,848 per year. If you're a single individual relying on only CPP for income, it puts you well below the poverty line… And if you're part of a couple earning nothing but CPP, you're way below the cutoff for a family of two.

default watermark

Not only that, but many CPP beneficiaries don't even receive the maximum benefit. According to Canada.ca, the average amount for a new beneficiary is $676 per month — a truly paltry amount.

The conclusion is obvious: if you're retired or soon to retire, you need more than just CPP to pay your bills. If you have an employer pension, that can certainly help, but with fewer and fewer non-government employers offering those, it's not an option you can bank on.

Fortunately, if you have some cash saved, you may have options. Dividend stocks let you generate cash income whether the markets go up or down, so you don't need to spend your savings to stay afloat. In this article, we'll be looking at one such stock that can pay you $1,279 a month (paid quarterly) with just $250,000 invested — easily exceeding CPP.

And the name of this stock?

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a pipeline company that makes money by transporting crude oil and LNG all around North America. With 5,000 kilometers of pipe, it transports 1.4 million barrels of oil a day.

Transporting oil and gas is a lucrative business. Because of this, Enbridge is able to pay a dividend that yields 6.14%. That yield means that if you invest $250,000 into ENB shares, you'll earn $15,350 a year or $1,279 a month. Not only is Enbridge's dividend yield high, but the company has been *raising its dividend* by about 13% a year on average, so the payouts may rise.

An energy stock without commodity price concerns

Enbridge is unique among energy stocks in being relatively unaffected by commodity price swings. As the price of oil rises or falls, most oil and gas companies see their earnings swing, as they make money off of selling the commodity. This is not so with Enbridge. As a transportation company, it makes money off toll fees, which are based on distance, not a percentage of oil revenue.

So, as long as demand for oil is strong enough to keep Enbridge's pipelines filled to capacity, the company can keep bringing in revenue. This shows in the company's recent performance: from 2015 to 2018, it grew net income from $250 million to $2.8 billion.

Foolish takeaway

If you're looking to generate income in retirement, dividend stocks are the way to go. Offering more income than bonds and less volatility than most stocks, they're ideal for the conservative investor. Enbridge, with its high yield and relatively safe payout, is easily one of the best around.

default watermark

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Tags

1. Editor's Choice

Date
2025/09/18
Date Created
2019/07/15
Author
andrewbutton

default watermark

default watermark