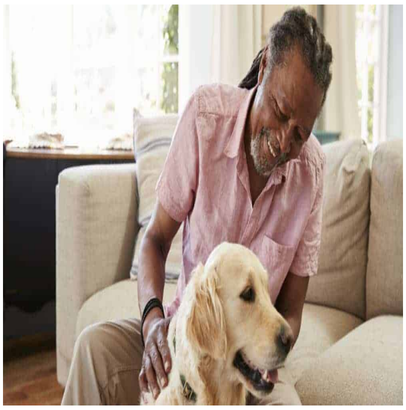

RRSP Investors: 3 Dividend Stocks to Supplement Your CPP Payments

Description

If you're planning for retirement, it pays to get as much money as possible into RRSPs. Offering generous tax deductions and deferred taxes on dividends and capital gains, they let you stash away considerable sums for later in life. With CPP paying an absolute maximum of $1,154 per month, you need to take active steps to build a retirement nest egg that can pay you more. And with more income potential than any other class of investments, dividend stocks are the way to go.

If you're looking to build a portfolio of RRSP dividend stocks to pay you when you retire, the following three TSX stocks can help get you there.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) operates Canada's largest and most extensive pipeline network, with over 5,000 kilometres of pipe. It has the capacity to ship over $1.4 million worth of petrochemicals every day and ships both oil and LNG. The company is currently working on a replacement to its Line III pipeline, which will increase the pipeline's capacity to over 750,000 barrels a day.

Although the Line III project is facing some legal hurdles, Enbridge has serious growth power with or without it, having grown its earnings from $250,000 to $2.8 billion in four short years. Its stock pays a dividend that yields 6.14% as of this writing.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is Canada's largest private utility company. Supplying power to customers in Canada, the U.S., and the Caribbean, it's a true electricity powerhouse. Fortis's dividend yields 3.5% at present, which is already a strong figure. However, it doesn't fully represent the income power of the stock.

Fortis's management has an uninterrupted 45-year track record of raising the dividend and is aiming for 6% annual increases for the next five years. Should Fortis continue its dividend-growth streak, that

3.5% yield on shares bought today could go much higher.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is Canada's second-largest and fastest-growing bank. With a large and profitable U.S. Retail business, it absolutely crushes all other Canadian banks on growth metrics. In its most recent quarter, TD's U.S. retail business grew at 29% year over year. Its **TD Ameritrade** investment also grew impressively, with its earnings jumping 93% in the most recent quarter.

What makes TD a great stock for income-focused retirees?

It comes down to one thing: large and growing dividends.

Not only does TD stock yield about 4% right now, but management has been raising the dividend by about 10-11% a year. If this trend persists, then the payout per share could double in just seven years. This makes TD a stock with serious income potential.

If you invest $400,000 in TD stock today, you'll get $16,000 in annual dividend income. That's more than you'd make from even the highest possible CPP payout, and TD's 10-11% a year dividend growth is way ahead of CPP's inflation indexing.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks

3. Energy Stocks
4. Investing

Date
2025/09/18
Date Created
2019/07/21
Author
andrewbutton