



Retire Rich: Add These Stocks to Become a Dividend Millionaire

Description

Everyone wants to be free from financial worries when their golden retirement years arrive. To get to that point, you need to put your hard-earned money to work so that you can generate the cash you need to keep you in the lifestyle you have grown accustomed to. One of the best ways to generate cash is by purchasing dividend stocks.

Unfortunately, the return to a lower-for-longer view has driven many dividends-paying stocks into the stratosphere. Many traditional utility companies are now trading at expensive valuations that are at all-time highs. As a result, their yields have been driven down accordingly, making them less appealing than they were a few weeks ago. Luckily, there are some stocks that make excellent income stocks for retirement that are not quite as expensive as the electrical utilities and telecoms.

Canadian Imperial Bank of Commerce

For the first time in a long time, **CIBC's** ([TSX:CM](#))([NYSE:CM](#)) share price has slid below the \$100-a-share mark. The resulting yield has pushed up to 5.66%, a staggering level for a major Canadian bank. This bank is paying out \$1.40 on a quarterly basis. That's \$140 a quarter if you own 100 shares.

The shares are quite cheap, with CIBC trading at a price-to-earnings ratio of about 8.49 times trailing earnings and a price-to-book ratio of 1.3. The low valuation does, however, reflect risks the bank faces regarding the highly indebted state of the Canadian consumer and the potentially risky Canadian housing market. [Its results](#) have not been great recently as well, further pushing down the share price.

Nevertheless, the historical performance of the Canadian banks and their relatively steady dividend increases should be enough to comfort investors focusing on steady retirement income.

Pembina Pipeline

After having been pushed up along with the other utilities for quite some time, the struggle of the oil and gas sector has finally driven the price of pipeline operator **Pembina** ([TSX:PPL](#))([NYSE:PBA](#)) down to a more reasonable level. At the present time, the yield on this stock sits at over 5% — a level that I consider to be a good entry point for dividend stocks.

Pembina will provide retirees with a current monthly payout of \$20 a month on 100 shares. This yield has also [risen considerably](#) over the years, including the most recent dividend hike of 5.3% in May. It is highly likely that these increases will continue in the years to come. With inflation sitting at around 2%, investors will be able to greatly outpace future inflation. This will guarantee that your funds will last you throughout your retirement years.

Retire in comfort

Buying shares of companies like Pembina and CIBC will give you inflation-protected income throughout your retirement years. The tax benefit from receiving dividend income will further expand your retirement spending power. Both of these companies are currently at excellent entry levels. Start buying today, and you will have strong, steady income to live a millionaire for years to come.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:PPL (Pembina Pipeline Corporation)

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