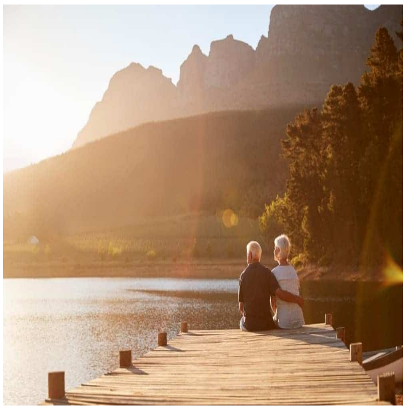

Retirees: Give Yourself a Raise With These 3 Passive-Income Machines

Description

In today's world of ultra-low interest rates, it's hard to convert capital into a sustainable income stream.

Many folks who first retired in the 1980s or 90s are seeing this first hand. After being able to count on GICs paying 10% interest rates back in the 80s, that number soon fell to 6%, then 4%, and finally all the way down to 2%, where we're sitting today. A million-dollar nest egg only spins off $20,000 per year at a 2% return. That's not enough to fund a middle-class retirement.

I have a better solution. Retirees can put their capital into some of Canada's finest high-yield stocks — companies that pay 5%, 6%, or even 8% yields. This one little move can double or triple a retiree's income versus more traditional fixed-income sources and give them potential for upside as their stocks rise over time.

Let's take a closer look at three of Canada's top income plays.

Inter Pipeline

Inter Pipeline (TSX:IPL) is an income-generating machine of a stock, which has the added bonus of being undervalued today.

The company's assets include three pipelines that transport bitumen from the oil sands, various conventional oil pipelines, natural gas processing facilities, and fuel storage assets. It is also investing some $3.5 billion into the Heartland Petrochemical Complex, which plans to convert cheap Alberta propane into various types of resin used for manufacturing certain kinds of plastics. The only issue is paying for Heartland on its own; the price tag might prove to be a little much.

The good news is while investors wait for Heartland, they're treated to one of Canada's best dividends. Inter Pipeline currently pays investors $0.143 per share each month, which is good enough for a 6.9% dividend. The company has also raised its dividend each year since 2009, one of the best dividend-growth streaks you'll see in Canada today.

Oh, I almost forgot. The stock could easily be taken over sometime soon, which would be a nice short-term profit for anyone getting in today.

Fiera Capital

Fiera Capital (TSX:FSZ) has quietly become one of Canada's largest asset managers by acquiring much of its competition. The good news is there are plenty of boutique asset managers left to buy in North America, never mind Europe or Asia. Despite having $150 billion or so under management, Fiera is still poised to become bigger.

So far in 2019, Fiera has made two acquisitions and started a strategic partnership with Natixis, one of the world's largest asset managers. Analysts think these acquisitions will add plenty to the bottom line in 2020, with their earnings expectations increasing from $1.29 per share in 2019 to $1.46 per share in 2020.

Shares only trade at a hair over seven times projected 2020 earnings, making Fiera one of Canada's cheapest stocks.

Although management has paused dividend growth for a little while to focus on paying down debt, Fiera still offers retirees an impressive 8.2% yield.

Rogers Sugar

There are few stocks more boring than **Rogers Sugar** (TSX:RSI), which should bode well for a retiree looking to lock in a succulent dividend without much risk to their capital.

Rogers shares have sold off a bit lately, thanks to recent sub-par quarterly results. The maple syrup part of the business didn't perform up to expectations, and Rogers will try to get it back on the right path by investing a little more capital into it. Investors didn't like that, but the good news is the core sugar business continues to meet expectations.

Even if the maple syrup business continues to be weak for a little while, Rogers Sugar investors don't have to worry about the stock's 6.8% yield. It's solid.

CATEGORY

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