



2 Passive-Income Stocks for Any Retirement Portfolio

Description

When choosing stocks to hold into retirement, it's important to consider the length you will be holding them for. If you have not reached retirement yet, you have the ability to hold the stocks for longer than someone that's already in retirement, which changes the decision-making process completely.

Nonetheless, the importance of capital preservation is still at the forefront, and choosing investments wisely is an absolute must.

This first thing to do when looking at a potential company is to analyze the economics of its business; specifically, is it likely this company and the industry it's in will be around for 10, 20, even 30 years or longer? If the answer isn't an automatic yes, then move on to the next prospect.

Assuming the answer is yes, because plenty of companies are positioned for the long term, the next step is to identify whether it's an industry leader or not. Industry leaders are the best stocks to own because they will provide superior returns long term, especially if you can buy them when they're undervalued.

Lastly, the company is going to have to provide a dividend, one that has a high enough yield to be worth it for a retiree, but not too high that it's unsustainable.

Two ideal stocks that would be perfect for a retirement portfolio are **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

Fortis

Fortis is a utility company with assets in Canada, the U.S., and the Caribbean. Its assets are made up of electric and gas utilities as well as a small percentage in generation.

The company has over \$52 billion in assets, making it an extremely large and stable company. It has more than 3.3 million total customers and did over \$8.4 billion in revenue in 2018.

Fortis is a utility company, and the nature of its assets make it a top stock for retirees to hold. It's in an industry that is regulated and stable, many of its contracts provide predictable cash flows, and the company is able to make decent returns, most of which it returns to shareholders.

Currently, the dividend is yielding more than 3.4%, which should continue to rise over the years, as Fortis has an extensive history of raising the dividend. It just announced this week another dividend increase of 6.1%.

Fortis is an ideal holding for any [retirement](#) portfolio due to its top-notch management and high-quality assets.

BCE

BCE is the ideal stock for retirees. It is absolutely massive — Canada's largest telecom — and it's not going anywhere anytime soon. As a matter of fact, the telecom sector only continues to be more important to our [everyday life](#).

Besides the fact that BCE is in a huge industry, it is a very well-run company with highly diversified, highly stable revenues. Its significant size and barriers to entry make BCE probably the best stock for retirees in Canada.

The steady growth it builds in book value, as well as the dividend are exactly the qualities you want to see out of a main stock that is anchoring your portfolio.

It's a dependable company that most likely won't provide any flashy returns, but it will provide slow and stable growth to drive the portfolio's appreciation for decades.

Today, the dividend yields nearly 5% and has been raised every year for the last 10 years.

Bottom line

Finding top stocks that are suitable for retirement portfolios can make a huge difference down the line. This is why if you are going to pick stocks, you have to make sure you do your homework to find the best companies, so you can continue building wealth into retirement.

CATEGORY

1. Dividend Stocks
2. Investing
3. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:FTS (Fortis Inc.)

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