2 Top Dividend Stocks to Help You Save for Retirement

Description

Each person's approach to investing depends on various factors, and perhaps the most important of these factors is the goal each investor has in mind.

One of the more common goals individuals cite as a reason for investing is to save for retirement. For those looking to do that, relatively safe stocks that pay steady and growing dividends are some of the best options to consider.

If you're looking for such stocks, you're in luck; let's consider two that fit the bill: **Fortis Inc** (TSX:FTS) (NYSE:FTS) and **TC Energy Corp** (TSX:TRP) (NYSE:TRP).

Fortis

Consumers are more likely to cut back on luxury goods and services during a recession. For instance, fewer people are willing to spend hundreds of dollars on a new iPhone when the economy slows down.

By contrast, most people still spend money on basic necessities, and in today's world, utilities fall into this basket.

This makes companies that provide utilities prime targets for investors looking for low volatility stocks. Fortis is one of the best Canadian utilities stocks to own. The firm owns assets — and serves millions of customers — across the U.S., Canada, and the Caribbean.

Fortis' diversified operations is a strength that produces real results. Over the last three years, the company's revenues have grown by about 7.5%, while its net income has increased by about 13%; that isn't bad by industry standards.

Naturally, Fortis handsomely rewards investors by way of dividends. The company's current dividend yield is 3.96%, and Fortis plans on increasing its dividends by about 6% every year through at least 2024.

Further, the firm is actively looking for ways to improve its prospects, perhaps most notably by investing in renewable energy sources. Finally, with a beta of 0.05, Fortis is a lot less volatile than the broad market.

TC Energy

Equity markets started the year on a high note, as did TC Energy. However, while the market has largely slowed down — primarily due to various geopolitical and economic factors — TC Energy is still performing well.

Year to date, the firm's shares have grown by about 31% (at writing), despite the Canadian oil industry running into some difficulties. TC Energy currently offers a juicy yield of 4.5%, and the company's dividends have increased by 56% over the past five years.

To be clear, TC Energy isn't likely to provide market-shattering returns in the long run, but the company appears capable of delivering modest growth while constantly rewarding investors by way of dividend increases.

Finally, the firm has close to $45 billion invested in various capital growth projects, including Keystone XL oil pipeline, which TC Energy has been working on for a while.

This pipeline will be capable of delivering 830,000 barrels per day when completed, and despite running into several approval hurdles, it now looks like the project will be completed by 2021. This project and others will help keep TC Energy's revenues and earnings afloat.

The bottom line

Fortis and TC Energy check some of the boxes investors looking for stocks to stash in a Tax-Free Account and save for retirement deem important. Both are fairly low risk stocks, and both provide excellent dividend growth prospects.

While the future is always uncertain, it might be worth considering both of these stocks for those looking to build a nest egg for the future.

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