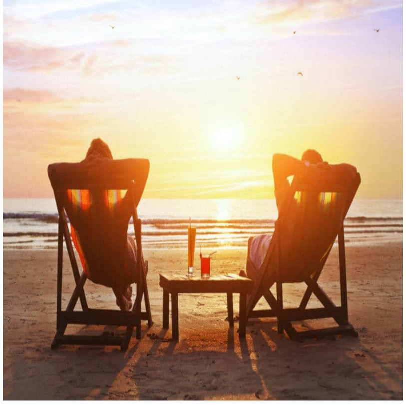

Retirees: 3 Safe High-Yield Dividend Stocks to Keep You Happy

Description

Would Canadians be able to retire happy? As you approach retirement, it is normal reasonable to feel restless. A survey by Statistics Canada shows that 31% of respondents between the ages of 45 to 60 believe their financial preparations for retirement were inadequate. The results confirm that Canadians are anxious about their retirement.

If you're concerned that you wouldn't be able to enjoy the lifestyle you're experiencing today, consider investing in safe, high-yield dividend stocks. **Pembina** (TSX:PPL)(NYSE:PBA), **Capital Power** (TSX:CPX) and **SmartCentres** (TSX:SRU.UN) can wash away your worries.

Stock for retirees

Pembina is a widely-known source of income of retirees. This $25.5 billion midstream energy stock has sound economics because the global demand for oil is infinite.

As a midstream company, Pembina has less exposure to commodity price risk compared with peers in the oil and gas midstream industry.

From a retiree's perspective, the 4.9% annual dividend paid monthly makes the stock an attractive investment. You can rely on the dividend income to shoulder recurring expenses without having to touch the principal.

Pembina's phenomenal track record of dividend payments translates to extra-large total returns. Over the last 10 years, the annual compound growth is 19%, with a 5% average dividend growth.

The dividends are safe, as Pembina derives income from fee-based revenue. Hence, cash flow is predictable and absolutely stable.

Dividend monster

Following Pembina in terms of safe investments is a growth-oriented power producer Capital Power. This North American regulated electric company generates stable and growing cash flows from a contracted and merchant portfolio.

Capital Power has successfully transitioned its predominantly coal-powered plants into green power-generating facilities. The company's net income in 2018 grew by 99% to $267 million notwithstanding the lethargic growth environment. Income growth projection in 2019 is a modest 31.7%.

The stock pays a high 6.24%, close to the 6.4% five-year average dividend yield. With a firm industry footing, retirees would be free of financial stress for a longer period.

Walmart's real estate partner

If you're not comfortable with the energy and utility sectors, the real estate sector is another safety net for retirees, particularly, SmartCentres. This $5.5 billion real estate investment trust (REIT) pays a higher-than-market dividend of 5.67%. An investment in SmartCentres could double in 13 years.

SmartCentres is one of the largest REITs in Canada. Its tenants are national and regional retailers that are principally Walmart-anchored retail centres.

The partnership with Walmart is expected to last a lifetime. Thus, retirees can depend on this dividend machine as the main source of active income during the retirement period.

Don't worry, be happy

There are many reasons to be apprehensive about retirement. Retirement age in Canada has been dropping to between 60 and 61 from the longstanding benchmark of 65. With life expectancy also steadily increasing, you would need more money for the extra years.

You will be in a pressure cooker if you have fewer years left to save and earn. Your retirement benefits or pension might not be adequate to live comfortably during the sunset years.

Play it safe and start self-funding your retirement with Pembina, Capital Power or SmartCentres. Let the stocks wash away your worries.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:CPX (Capital Power Corporation)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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