Canadian Retirees: 3 Must-Own Dividend Stars

Description

Like many other countries in the developed world, Canada is facing an aging population that will have a significant economic, political, and social impact in the coming decades. Canadian seniors are expected to make up nearly a quarter of the overall population by 2030. Naturally, this also means that the number of retirees will climb significantly in the coming years.

A recent **Royal Bank** survey of Canadians aged 50 and up revealed that 55% of respondents expect to know their retirement date more than one year in advance. Half of retirees said they plan to work in retirement. This is a risky expectation, as many retirees find it difficult to find lucrative work in their retirement. Instead, retirees should look to generate income through intelligent investing.

Today, I want to look at three rock-solid dividend stocks that can provide capital growth and steady income for retirees.

Genworth MI Canada

When the new year started, I'd listed **Genworth MI Canada** (TSX:MIC) as one of my top dividend stocks to start this decade. Shares of Genworth have climbed 46% year over year as of close on January 16. Not only is this is a quality company, but there is reason for optimism, as the Canadian housing market rebounded nicely in 2019.

The company is expected to release its fourth-quarter and full-year results for 2019 in late February. In the year-to-date period in 2019, Genworth reported net income of $318 million, which was down from $371 million in the prior year. However, premiums written did increase to $518 million over $483 million largely on the back of an improved housing market.

Genworth stock last had a price-to-earnings (P/E) ratio of 13 and a price-to-book (P/B) value of 1.3, which is favourable considering it is close to a 52-week high. It last increased its quarterly dividend to $0.54 per share, which represents a 3.5% yield.

IGM Financial

IGM Financial (TSX:IGM) is one of the largest wealth asset management companies operating in Canada. Its activities are carried out through subsidiaries like Mackenzie Investments, IG Wealth Management, and Investment Planning Counsel. Shares of IGM Financial have climbed 26% year over year.

The company is set to release its fourth-quarter and full-year 2019 results on February 14. In the third quarter, IGM Financial reported net earnings of $202.5 million, or $0.85 per share, compared to $198.2 million, or $0.82 per share, in Q3 2018. It achieved record-high assets under management as of September 30, 2019, reaching $162.5 billion. The 1.8% year-over-year increase was driven by positive investment returns.

It declared a quarterly dividend of $0.5625 per share in its Q3 report. This represents a strong 5.7% yield. Shares last possessed a P/E ratio of 12 and a P/B value of 2.1.

Manulife Financial

Manulife Financial (TSX:MFC)(NYSE:MFC) is one of the largest insurance and financial services providers in Canada. The stock has increased 34% year over year as of close on January 16. Investors can expect to see its fourth-quarter and full-year results on February 12.

In the third quarter, Manulife reported net income of $0.7 billion, which was down from $0.9 billion in Q3 2018. However, its core earnings of $1.5 billion were in line with the previous year. Manulife and other insurance providers like **Sun Life** are betting big on Asia. For Manulife, new business value in Asia grew to $1.20 billion in the year-to-date period compared to $1.04 billion in the first three quarters of 2018.

Shares of Manulife boast a favourable P/E ratio of 11 and a P/B value of 1.1. The stock last paid out a quarterly dividend of $0.25 per share, which represents a 3.6% yield. Manulife offers nice value and a solid dividend track record for retirees.

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