



CPP Pensioners: How to Make More Money Each Month

Description

The average Canadian receives less than \$700 per month in CPP benefits. Once necessities like food and shelter are accounted for, there's not a lot of money left to live on.

By building a portfolio of high-yield dividend stocks, pensioners can supplement their CPP payments providing extra money each month to spend or save and invest.

While the TSX offers some great, high-quality dividend stocks, let's look at one stock in particular that offers both strong potential growth and a hefty dividend.

TC Energy

Based in Calgary, **TC Energy** ([TSX:TRP](#)) delivers energy to millions of people throughout North America. The 70-year-old company was founded to develop the TransCanada Pipeline (now the Canadian Mainline) to ship natural gas from Western Canada to markets in the east.

Originally operating only in Canada, TC Energy has expanded operations to the U.S. and Mexico. Last year, the company changed its name from TransCanada. The name TC Energy more accurately reflects the company's aggressive growth plans throughout all of North America.

TC Energy supplies more than 25% of the natural gas consumed daily in North America with a network that consists of more than [92,600 kilometres of natural gas pipelines, 4,900 kilometres of oil pipelines, 653 billion cubic feet of gas storage, and 6.6 megawatts of power generation.](#)

Hefty dividend

TC Energy's current dividend is 4.38%. This generous yield has grown significantly over the years. For the past two decades, TC Energy's dividends have increased every year at a compound annual growth rate of almost 7%.

The company expects this dividend growth to continue at an average annual rate of 8% to 10% through 2021 and 5% to 7% beyond 2021.

Projects under development

TC Energy has projected its comparable earnings before interest, taxes, depreciation and amortization to exceed \$10 billion by 2022. These impressive earnings are mostly driven by regulated or long-term contracts, which account for over 95% of revenue.

The company also has [more than \\$20 billion of projects under development](#). Most well known is the Keystone XL, which will provide a direct link to the U.S. Gulf Coast, the world's largest heavy oil refining market.

Two other projects are the NOVA Gas Transmission Limited (NGTL) expansion and the Coastal GasLink Pipeline. The NGTL expansion will transport natural gas to export locations from northwestern Alberta and northeastern BC. This expansion is planned to be operational by mid-2021.

The fully permitted \$6.2 billion Coastal GasLink Pipeline project will provide direct access to the world market for Western Canadian Sedimentary Basin production. The pipeline is expected to be in service in 2023.

The bottom line

By concentrating on companies that pay high dividends and have a track record of dividend increases, retirees can supplement their CPP pension income.

TC Energy not only meets these criteria, but its long-term earnings outlook should ensure the stock price will increase as well. Plus, the energy infrastructure industry is relatively insensitive to economic cycles, which creates some protection in the case of an economic downturn.

If you are fortunate enough to have several years before you need to supplement your CPP income, reinvest the dividends now. This reinvestment will allow you to earn even more each month when you are finally ready to cash in your nest egg.

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cdye

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