CPP Pensioners: 3 Stress-Free Stocks to Help You Retire in Comfort

Description

CPP just doesn't pay enough to get by on. That's the inevitable conclusion you'll come to if you compare CPP benefits to the average senior's living expenses.

According to a **BMO** Wealth Management survey, the average Canadian retiree has $2,400 in monthly bills, yet CPP pays just $679 a month on average and $1,200 a month at an absolute maximum.

Neither of those figures is enough to cover the average Canadian's expenses in retirement. Throw OAS on top of the maximum CPP benefit and you're only at $1,800 a month.

The takeaway? If you're a Canadian retiree without an employer pension, you need to establish an income stream to carry you through your retirement. The following are three stocks that can help you do that–*without* undo risk.

Fortis

Fortis Inc (TSX:FTS)(NYSE:FTS) is Canada's largest publicly traded utility company. It supplies power to markets across Canada, the U.S. and the Caribbean.

The company is well known for its long dividend track record, which has seen 46 consecutive years of payout increases. That track record makes Fortis a confirmed Dividend Aristocrat. Additionally, the company's management plans to increase the stock's dividend by 6% a year over the next five years.

This year, Fortis is embarking on a $18.3 billion dollar capital expenditure program that aims to increase its rate base significantly. The company is spending money on a number of projects, including upgrading infrastructure and reaching remote Northern communities. The project should increase the company's revenue, though it will also increase its debt.

Toronto-Dominion Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is Canada's second largest bank. It has been growing faster than other Canadian banks recently, thanks to its wildly successful U.S. retail business.

Last year was an eventful one for TD. After selling its subsidiary **TD Ameritrade** to **Charles Schwab**, it became a 13.4% owner of the world's largest brokerage company. This came after TD Ameritrade faced pressure from no-fee trading services — a threat it wasn't well equipped to cope with.

TD bank shares have outperformed the **TSX** over the past decade. They also offer a solid dividend yield of about 4%, which means you get $4000 in annual income back from every $100,000 you invest.

Brookfield Asset Management

Brookfield Asset Management Inc (TSX:BAM.A)(NYSE:BAM) is a large asset management firm with over $500 billion under management.

It operates a number of arm's-length companies, with investments in real estate, infrastructure, and renewable energy. Brookfield's business model is unique.

It raises external capital as an asset manager and combines the management fees with internal capital to make investments. This is similar to how Warren Buffett uses insurance float to finance his investments.

Unconventional though it may be, this approach has worked: over the past five years, Brookfield's assets have grown by 16% CAGR. Its stock has also been a big winner in the markets, having risen 100% in five years. The stock pays a dividend that yields 0.94% as of this writing.

CATEGORY

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2. NYSE:BN (Brookfield Corporation)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BMO (Bank Of Montreal)
5. TSX:BN (Brookfield)
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