



Retirees: 3 Income Ideas for Your 2020 RRSP

Description

As we approach the March 2nd deadline for Registered Retirement Savings Plan (RRSP) contributions, retirees (or those nearing retirement) looking for income-generating names to buy and hold for the next two or three decades should definitely consider these three excellent income choices.

Algonquin Power

One of my top picks for a very long time, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a wonderful dividend-paying utility with a 3.5% dividend yield currently (at the time of writing) and a history of dividend increases over time. Algonquin trades on both the TSX and NYSE.

This utility company is well diversified, with a number of renewable assets, water treatment plants, and other businesses that supplement the company's core utility holdings well. Algonquin is also geographically diversified, with significant holdings in the U.S. and globally, thus acting as both a bond proxy and a currency hedge for those with too much Canadian dollar exposure.

Due to a run up in the company's share price (up 43% year over year), the yield previously offered by AQN shares has diminished substantially, unfortunately, but [earlier readers who heeded my recommendation](#) would have been rewarded handsomely with some nice capital appreciation in addition to dividend growth.

Enbridge

Another vertically integrated infrastructure play, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a great dividend-growth option, with excellent long-term fundamentals and a track record of shareholder value creation. Like Algonquin, Enbridge is an interest-sensitive bond proxy which has performed well in this low interest rate environment. Should interest rates stay low (which I believe they will), utilities like Algonquin and Enbridge will continue to do very well.

Of course, Enbridge is mostly an energy infrastructure company, and the Line 3 expansion is on the

horizon for investors, with little in the way of regulatory hurdles at this point. With a host of great assets, and new assets on the horizon set to continue to generate growing cash flows over time, Enbridge remains good value at this point in time for defensive investors. I would recommend picking up shares on any dips moving forward, with a long-term buy and hold mentality for an Enbridge position.

TD Bank

In the Canadian financials space, **Toronto-Dominion Bank** is my top pick and [has been for some time](#). TD has traditionally had a lower dividend yield compared to its peers, but has maintained solid dividend growth over time and holds a higher-quality stable of assets, which are more diversified than any of the other Big Six banks.

TD Bank is less exposed to the Canadian real estate market and has the best risk/reward profile of any of the Canadian banks, in my opinion.

Stay Foolish, my friends.

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