



## Retirees: These 3 Safe Stocks Will Pay You Cash Every Month

### Description

Many investors are attracted to Canada's vast assortment of monthly dividend payers. After all, getting cash every month is convenient in a world where bills show up every month, too.

Unfortunately, in today's world, we also have to worry about [dividend cuts](#). Although I remain optimistic the economy will recover soon, it's still a very uncertain world out there.

The good news is, investors don't have to sacrifice quality to get a sufficient amount of income. The market sell-off has pushed shares lower, which has automatically goosed dividend yields of almost every stock. This means investors can buy quality names and still ensure they're getting good yields.

Let's take a closer look at three of Canada's top monthly dividend stocks — perfect choices for retirees looking to get paid cash every month.

### First National

I'm the first to admit that many folks won't be applying for mortgages in the next few weeks, with that weakness potentially lasting for a few months. But I'm still a long-term bull on alternative mortgage company **First National** ([TSX:FN](#)), Canada's largest non-bank mortgage provider.

First National is essentially a middleman that services loans for large institutional investors who want access to safe Canadian mortgage loans. The company uses mortgage brokers to generate business while getting cash from institutional investors to fund the loans. It takes a fee on every new mortgage originated and collects revenue for servicing these loans.

The company has some \$110 billion worth of loans outstanding that it currently services. That alone is enough to keep it going, even if it takes years to recover from today's economic downturn.

Shares currently trade at eight times trailing earnings, a dirt-cheap valuation for a company with a clear moat. That's also good news for the monthly dividend, which currently stands at 8%. And remember, the company has a history of paying out [special dividends](#), including ones in 2018 and 2019.

## Choice Properties

The REIT sector has been decimated over the last few weeks, as investors worry many weaker tenants will need long-term relief. Just about every stock in the sector has sold off as a result.

This has created opportunities to buy solid REITs with big exposure to sectors that are doing well in today's market, like grocery stores. This logic is why I'm taking a closer look at **Choice Properties REIT** ([TSX:CHP.UN](#)) for my own portfolio.

Choice Properties is a behemoth, owning 726 different developments spanning more than 65 million square feet of gross leasable space, which includes retail, industrial, office, and even residential space. The majority of the portfolio consists of grocery-anchored retail real estate, an asset class that looks poised to deliver solid returns in a COVID-19 world. It also has a robust development portfolio, designed to maximize the value of existing assets.

**Loblaws** stores make up more than 55% of the company's total rents, with no other tenant contributing more than 2.5% to the top line. That's an excellent position to be in today.

The stock also pays a robust 5.5% monthly dividend — a payout that should be rock solid going forward.

## Northland Power

**Northland Power** ([TSX:NPI](#)) is a green energy producer with more than \$10 billion worth of assets. It owns 2,429 MW of power-generation capacity around the world, and it has an interesting development pipeline with projects in various stages of completion in places like the North Sea, Mexico, and Taiwan.

The company's shares have held up pretty well during the recent market chaos, falling just 10% compared to their 52-week high. It's just business as usual for Northland, and investors have been attracted to the stock for its stability.

The company pays a \$0.10 per share monthly dividend, which is good enough for a 4.1% yield today. The payout is easily sustainable; free cash flow was \$1.77 per share in 2019. And remember, as new projects come online in 2020 and beyond, the company should be able to grow earnings as well.

## Final thoughts on these monthly dividend payers

As you can see, you don't need to take huge risks to lock in some solid dividends. First National, Choice Properties, and Northland Power all pay nice dividends while providing solid stability. They'd all look great in a retiree's income portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:FN (First National Financial Corporation)
3. TSX:NPI (Northland Power Inc.)

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