



## Get Your Retirement Back in Track With 2 Dividend Stocks

### Description

The ongoing market crash is worrying investors all over Canada. However, millennial investors with long-term investment strategies have a chance to use this as a strategy to purchase [high-quality stocks](#) at a bargain. It can present them with excellent gains over time as the markets recover. Canadian retirees, however, do not have the time to look at it in the same way.

Many investors who have spent years building their portfolios might be suffering from double-digit losses in their Tax-Free Savings Accounts (TFSA) due to the COVID-19 pandemic crash.

It might even be putting their retirement plans in jeopardy. Today I'm going to discuss the **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) stock and the **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) stock. The shares of both stocks can help older investors boost their tax-free passive income through growing dividends.

### Railway operator

The Canadian National Railway stock could be an ideal stock to consider adding to your portfolio. CNR operates the most extensive railway network throughout North America. It is the only transcontinental railway in North America that connects the coasts of the Atlantic, Pacific, and the Gulf of Mexico.

At writing, the **S&P/TSX Composite Index** is down by 11.68% from the start of the year. In the same period, the CNR stock is below by just 2.38%. CNR can pay dividends at a safe, 1.98% yield to its shareholders. While the dividend yield may seem meager at best, it is also among the safest bets when it comes to receiving a reliable dividend payout for investors.

Railway is a highly regulated sector in the country, and the barriers to entry are significant. CNR does not have any real competition to contend with, allowing it to operate an oligopolistic market. Without fear of losing its earning power, the regulated nature of the industry and a lack of competition allows CNR to earn substantial income.

CNR continues to expand and create more value for its investors. It has a reliable reputation for paying

its shareholders their dividends without fail. CNR also continues to outpace the broader market over the long run.

An investment in CNR 10 years ago would return more 380% to investors with dividends reinvested thanks to its 16% compounded annual growth rate (CAGR).

## Fortified utility stock

An economic downturn puts the market in a volatile position. Volatility is the worst enemy for an investor seeking a stable and reliable dividend income. Fortis can be another amazing stock to consider to this end. It is an all-weather investment that offers investors far more safety than most other stocks on the **TSX**.

It is a utility sector operator that enjoys regulated cash flow. Even during a recession, utility companies like Fortis can earn a stable income due to the essential nature of the business.

People still need their electricity and gas supplies no matter how bad the economy gets. Its healthy cash flow allows Fortis to continue increasing its dividends by 5% to 6% each year without fail.

Where the broader market is suffering from double-digit losses, the Fortis stock is up by 1% from its share price at the start of 2020. Its current price entails a 3.52% dividend yield, and Fortis is set to increase its dividends this year as well.

In a time when most companies are considering slashing dividends, Fortis continues its 47-year dividend growth streak.

## Foolish takeaway

Reliable income is the name of the game. To help keep your retirement plans on track, you need to create a passive income stream through your [TFSA](#) to ensure reliable income that can increase to keep pace with inflation over the years. To this end, dividend growth stocks that offer continuous and increasing returns is the best way to go.

Canadian National Railway stock and Fortis stock could be excellent additions to your TFSA contribution room to start building such a portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:FTS (Fortis Inc.)

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### **Date**

2025/08/25

### **Date Created**

2020/05/14

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