



Retirement Income: 3 Top Dividend Stocks Yielding up to 8%

Description

With interest rates so low, you can't just rely on saving accounts or GICs to earn decent [retirement income](#). If you plan to put together a reliable nest egg for your retirement years, then you should add some quality dividend stocks to your portfolio.

Adding income-producing stocks can produce a powerful savings tool for you. But before you make an investment decision, you need to do careful due diligence of the stocks you're buying.

For example, you can find some top companies that operate in a kind of oligopoly where competition is limited, where the regulatory environment is very favourable for their growth, and that have a very established and diversified revenue base.

Today, I've put together a list of three high-yielding dividend stocks to give you an idea how you can start a portfolio that generates consistent retirement income.

Toronto-Dominion Bank

Canada's Big Five banks have been very [consistent in rewarding retirees](#) through steadily growing dividends. From this group, I particularly like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

The lender has an excellent payout policy, distributing between 40% and 50% of income in dividends each year. In addition, TD has a great diversification business with its wide presence in the U.S.

It generates about 30% of its net income from the U.S. retail operations. The bank also has a 42% ownership stake in TD Ameritrade with a fast-expanding credit card portfolio. Following its aggressive growth in the U.S. during the past decade, TD now runs more branches south of the border than it does in Canada.

TD stock now pays a \$0.79-a-share quarterly dividend, which translates into a 5% yield on yearly basis. Due to the economic challenges after the pandemic, the bank may not continue with its 7-10% growth in its payout, but I don't see the lender slashing its dividend, as it has a much better balance sheet than its peers.

Brookfield Infrastructure

The Toronto-based **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is another top stock to help boost your retirement income.

BIP owns and operates utilities, transport, energy, and communications infrastructure companies globally. BIP manages about US\$30 billion portfolio with assets spanning five continents.

The company manages utilities and power transmission systems in North and South America, 37 ports in North America, the U.K., Australia, and Europe, approximately 3,800 kilometres of toll roads in South America and India, and large rail operations in Australia and South America.

All these assets are essential, making BIP a good candidate for any retirement income portfolio, especially when the economy is in a recession and revenues are under pressure.

Trading at \$54.33 and with an annual dividend yield of about 5%, the stock currently offers an attractive entry point to retirees.

Enbridge

North America's largest pipeline operator, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), is one of your best bets to boost your retirement income in this low-rate environment.

The company operates across North America, fuelling the economy and fulfilling consumers' energy needs. Enbridge moves nearly two-thirds of Canada's crude oil exports to the U.S., transports about 20% of the natural gas consumed in the U.S., and operates North America's third-largest natural gas utility by consumer count.

Enbridge is largely insulated from swings in commodity prices, as it sets prices for transporting oil and gas in long-term contracts. Its clients include some of Canada's largest energy companies, including **Imperial Oil** and **Suncor Energy**, providing a source of dependable future cash.

Enbridge, which currently yields about 7.8% a year, is offering quite an attractive risk/reward equation. Its current return is among the best you can earn from other Canadian utilities. Enbridge pays \$0.81-a-share quarterly dividend.

CATEGORY

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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