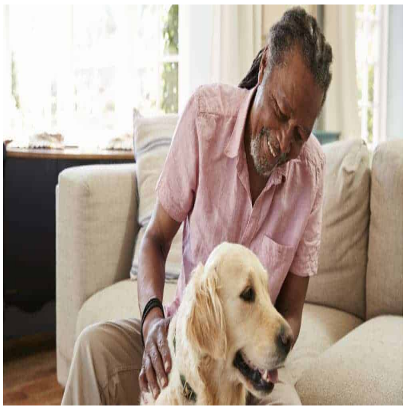

Retirees: How You Can Earn $1,560 a Quarter in Dividends With Less Than $100k

Description

Dividend stocks can provide retirees with a great source of predictable cash flow. While you would want to save as much as possible to lead a comfortable life in retirement, it is always good to have a passive income stream to supplement your retirement pensions. Here we take a look at three quality dividend stocks that offer generous dividend payouts.

An energy infrastructure giant

Canada's energy heavyweight **Enbridge** (TSX:ENB)(NYSE:ENB) remains one of the top picks when it comes to dividend investing. Enbridge is the largest energy infrastructure company in North America.

The stock has taken a beating in the first half of 2020 due to falling crude oil prices and the COVID-19 pandemic. Enbridge stock is trading at $40.2, which is 30% below its 52-week high. This pullback has increased its dividend yield to a tasty 8.1%.

However, Enbridge is one of the top picks in the energy sector due to its low-risk business model and relative immunity to commodity prices. The company does not expect lower crude oil prices to have a major impact on its cash flow in 2020, making its dividend yield safe.

Enbridge's payout ratio is less than 60%, which adds to its investment-grade balance sheet. It has strong financials that have helped it grow its dividends by 11% annually in the last 25 years.

If we estimate Enbridge to grow dividends by 8% in the upcoming decade, its annual dividend payout will increase from $2,430 to $4,500 over the course of 10 years, on an investment of $30,000.

A high-growth REIT

The second stock on the list is **NorthWest Healthcare** (TSX:NWH.UN), which has a yield of 7.5%. This healthcare-focused REIT provides unit holders access to quality healthcare real estate investments in seven countries.

NorthWest is part of a recession-proof industry and is a top defensive play. During the March quarter, it was one of the top-performing REITs as the majority of properties remained open. Due to the ongoing uncertainty, NorthWest has shifted its near-term priorities from growth initiatives to maximizing liquidity and operating efficiencies and will limit non-essential capital spending.

NorthWest pays monthly dividends, making it an ideal stock for the income investor. It ended Q1 with 183 properties and an occupancy rate of 97.3%. The company is a solid long-term pick due to its focus on growth and inflation-indexed leases. Its average lease expiry term is 14.4 years and its growing portfolio will help the company sustain payouts in 2020 and beyond.

Pembina Pipeline has a dividend yield of 7.9%

Another pipeline stock for your retirement portfolio is **Pembina Pipeline** (TSX:PPL)(NYSE:PBA). This Canada-based energy stock is trading at $31.9, which indicates a forward yield of 7.9%.

Similar to Enbridge, Pembina also generates a majority of its cash flows from long-term contracts. This fee-based model has helped the company distribute $4.5 billion to shareholders in the last five years. Pembina has also increased dividend payments at an annual rate of 5% since 2011.

Despite low oil prices, Pembina's payout ratio of about 60% makes a dividend cut unlikely. Further, 80% of the company's supply agreements are with investment-grade counterparties. Pembina pays a monthly dividend of $0.21 per share, which means annual dividends are $2.52 per share at writing.

The Foolish takeaway

If you invest a total of $80,000 among these three companies, you can generate $6,240 in annual dividends or $1,560 in quarterly dividends.

If these companies increase dividend payouts by 5% annually in the next 10 years, your dividends will rise to $9,500 at the end of 10 years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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