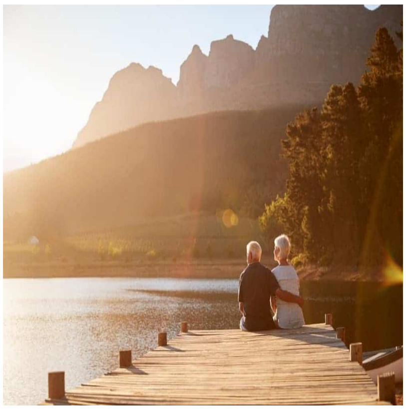

Retirees: 3 Super-Safe Dividend Stocks

Description

The COVID-19 pandemic has sparked major societal and economic changes. In some cases, it has accelerated the retirement plans of working Canadians. However, many workers have been forced to delay their retirement due to financial challenges. Today, I want to look at three dividend stocks that can provide safety and stability for retirees. Let's dive in.

Why grocery stocks are perfect for retirees

Grocery retailers proved to be very dependable during the worst days of the COVID-19 pandemic. **Metro** (TSX:MRU) is a Montreal-based food retailer. Its shares have climbed 12% in 2020 as of close on August 26. Consumer staples are always solid targets for retirees.

Metro released its third-quarter 2020 results on August 12. Food same-store sales rose 15.6% from the prior year, while pharmacy same-store sales increased only 1%. Diluted net earnings per share increased 20.9% year over year to $1.04.

Shares of Metro last had a price-to-earnings (P/E) ratio of 19 and a price-to-book (P/B) value of 2.5. This puts the stock in solid value territory relative to industry peers. Metro last declared a quarterly dividend of $0.225 per share. This represents a modest 1.5% yield.

Telecom stocks have been reliable in 2020

Telus (TSX:T)(NYSE:TU) is a top Canadian telecommunications company. This is another sector that is worth consideration for retirees. The COVID-19 pandemic has demonstrated how crucial telecom services will be for a working population that is increasingly based from the home. Shares of Telus have dropped 1% in 2020, but the stock is still up 8% year over year.

The company released its second-quarter 2020 results on July 31. Telus achieved 61,000 high-quality mobile phone net additions in Q2 2020. Meanwhile, the company reported consolidated revenuegrowth of 3.6%.

Its shares last had a solid P/E ratio of 20 and a P/B value of 2.6. Retirees on the hunt for income can gobble up decent dividends at Telus. The stock last paid out a quarterly dividend of $0.2915 per share, representing a 4.8% yield. It has delivered dividend growth for 16 consecutive years.

Retirees: Utilities are a perfect income vehicle

Rounding out the essential services stocks is the largest utility in the province of Ontario. **Hydro One** (TSX:H) has put together a fantastic run since the election of Premier Doug Ford. In late 2019, I'd suggested that this was a stock that investors could trust for decades. With interest rates at historic lows, retirees must be creative when it comes to generating income. Utilities like Hydro One offer an attractive combination of income and dependability.

Shares of Hydro One have climbed 12% so far this year. In the second quarter of 2020, the company delivered adjusted earnings per share of $0.39 compared to $0.26 in Q2 2019. The company declared a quarterly dividend of $0.2536 per share, which represents a 3.6% yield. Hydro One has delivered dividend growth in every year since its launch on the TSX.

Retirees should also seek out this stock for its price. Hydro One stock last possessed a P/E ratio of 9.3 and a P/B value of 1.6. This puts the top Ontario utility in attractive value territory.

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2. TSX:H (Hydro One Limited)
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