



## Retirees: Investing in This Stock Can Boost Your Monthly Income by \$100 While Avoiding OAS Clawbacks

### Description

If you're retired and on a fixed income, it's important to make the most of your savings. It can play a key role in increasing your income without impacting your Old Age Security (OAS) payments.

By investing your money into a Tax-Free Savings Account (TFSA), you can put your savings to good use. Any income earned within a TFSA isn't taxable, and you don't even report it on your taxes, so it won't impact your overall taxable income for the year. And it doesn't even matter if you make money from dividends or through capital gains.

### A stable stock to put in your TFSA

Given the volatility that there's been in the markets this year, it's more important than ever to invest in a stable stock. A great option for [retirees](#) and TFSA investors is **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)).

The telecom giant is down a modest 5% this year, which is only slightly lower than the 3% decline the TSX has been on thus far. Over the past five years, its beta has averaged just 0.5. That's a good number for dividend investors, because it implies stability and that Shaw stock won't move as wildly as the markets will.

Currently, the stock is trading at 19 times its earnings and two times its book value. Those aren't high ratios, and that makes Shaw's share price less vulnerable to a correction. And amid the COVID-19 pandemic, telecom services are still going to be needed, whether people are staying in their homes or not. That makes the business much more adaptable and a safe investment overall.

In each of the company's last eight quarters, Shaw's record a profit that was more than 10% of its revenue. And during that time, its quarterly sales never fell below \$1.3 billion. With strong margins and consistent revenue, Shaw offers its investors a lot of stability. And while it may not have produced great returns over the year, with its share price down 5% in five years, it does pay a solid monthly

dividend.

## Here's much income you can make from investing in Shaw

Today, Shaw pays its investors a monthly dividend of \$0.09875. With its stock trading at around \$25, that means it's yielding 4.7%. A \$10,000 investment in the stock would earn you over \$470 in annual income, or monthly payments of roughly \$39. To earn \$100 per month, you'd need to invest a little over \$25,500. And the more you have in savings, the higher your dividend income will go.

While Shaw hasn't increased its dividend payments for years, it still makes for a good income investment because of its stability.

## Should you invest in Shaw Communications today?

If you're a growth investor, Shaw is probably not the stock for you. Although it's been working on developing its mobile phone business over the years, it hasn't generated much growth thus far, and that's a competitive industry where gaining significant market share won't come easy.

The stock is better suited for retirees and dividend investors who primarily want it for the recurring income. It's a great value buy that can generate reliable [dividend income](#) for many years to come.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

### PARTNER-FEEDS

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