Retirees: 3 Super Safe Dividend Stocks

Description

The **S&P/TSX Composite Index** dropped 174 points on October 6. North American stocks took a hit after stimulus talks ground to a halt in the United States. It does not look like a compromise will be met until after the U.S. election. Until then, investor should expect volatility. Turbulence is never a welcome sight for retirees. Today, I want to look at three dividend stocks that offer security and dependability for retirement portfolios in the fall.

Retirees: This is the ultimate secure dividend stock

What secure stock is better than a future dividend king? **Fortis** (TSX:FTS)(NYSE:FTS) is a St. John's-based utility holding company that has delivered 47 consecutive years of dividend growth. Utilities have been an attractive hold during the COVID-19 pandemic. These companies offer essential services, which means they have been shielded from broader volatility. This is a great dividend stock for retirees.

Shares of Fortis have climbed 5% in 2020 as of close on October 6. In the first six months of 2020, the company has delivered adjusted earnings of $573 million compared to $551 million in the prior year. It reaffirmed its five-year capital plan of $18.8 billion. More importantly, it maintained its dividend growth guidance of 6% annually into 2024.

This dividend stock possesses a price-to-earnings ratio of 20 and a price-to-book value of 1.4, putting Fortis in solid value territory. The stock offers a quarterly dividend of $0.4773 per share, which represents a 3.6% yield.

Grocery stocks have been reliable in 2020

Empire Company (TSX:EMP.A) is one of the top grocery retailers in Canada. It owns and operates top chains like IGA, Sobeys, and Farm Boy. In the spring, I'd suggested that investors should hold on tight to grocers during the pandemic. Shares of Empire have climbed 33% so far this year. Retirees should consider stashing dividend stocks in this dependable space.

This company released its first quarter fiscal 2021 results on September 10. Its same-store sales excluding fuel increased 11% year over year. Meanwhile, earnings per share climbed to $0.71 over $0.48 in Q1 FY2020. EBITDA surged $122.5 million from the prior year to $582.5 million.

Shares of Empire last had a P/E ratio of 16 and a P/B value of 2.6, putting Empire in favourable value territory at the time of this writing. It last declared a quarterly dividend of $0.13 per share, representing a modest 1.3% yield.

One more secure dividend stock for retirees

Telecom has been more shaky than usual in 2020, but this is still a very reliable industry in Canada. **BCE** (TSX:BCE)(NYSE:BCE) is one of the largest telecoms in the country. Shares of BCE have dropped 4% in 2020. The stock is down 9.6% year over year. Retirees should still target this high-yield dividend stock.

In Q2 2020, the company delivered strong cash flows from operating activities of $2.56 billion – up 22.4% from the prior year. BCE waded through a decline in commercial activity in the second quarter, but it still achieved 50,121 total wireless, retail internet and IPTV net customers added. The stock last possessed a P/E ratio of 20 and a P/B value of 2.9. BCE is in positive value territory relative to industry peers right now.

BCE offers a quarterly dividend of $0.833 per share, which represents a strong 6% yield. Retirees can feast on its attractive income and pick up a stock that offers solid value.

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