Retirees: 3 High-Yield Dividend Stocks for 2021 and Beyond!

Description

If you're retired, dividend stocks are some of the best investments you can make. Providing stable income in bull or bear markets, they tend to be more reliable than other stocks. Sure, all stocks have the potential to pay off when you sell them. But with dividend stocks, you don't need to wait for bull markets before it makes sense to sell.

So, it's no surprise that many retirees like to have dividend stocks in their portfolios. Not only do they produce income, but they're typically more stable and less volatile than growth stocks. In 2021, there are many great dividend stocks worth considering for your retirement portfolio. In this article, I'll be reviewing three with particularly high yields.

Royal Bank of Canada

Royal Bank of Canada (TSX:RY)(NYSE:RY) has been among the best-performing Canadian banks in 2020. As of this writing, the stock was up 1.3% for the year, making it the only big Canadian stock in the green. It's not surprising. Royal Bank did comparatively well in the third and fourth quarters. In the third quarter, its earnings were down only 2% year over year. In the fourth, they were down 11%.

These mild-to-moderate earnings declines were actually good news, because the COVID-19 pandemic was in full force during these quarters. Many other banks fared worse. Thanks to strength in its capital markets business, Royal Bank was able to outperform its peers — both as a business and as a stock — during these tough quarters. Now, it's well positioned to thrive during the 2021 recovery.

Rogers Communications

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is Canada's biggest telco stock after **BCE**. It's noteworthy for being the Canadian telco that is best positioned for 5G. By going with **Ericsson** over Huawei right from the beginning, it was able to roll out its 5G network faster than its competitors. Now, it has the largest 5G network in the country.

I have to be clear on one thing: Rogers's earnings in 2020 haven't been great. The company suffered due to the COVID-19 pandemic, which for a time shut down televised sports. Rogers's media investments, which include sports investments, lost money amid the pandemic. The good news is that by the third quarter, media revenue was up 1% year over year, reflecting the return of live sports. In the same quarter, revenue was down 2%, earnings were down 11%, while free cash flow was up 13%. Overall, it was a mixed quarter but better than earlier in the year, when the pandemic was in full force.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is an energy pipeline stock that has a ridiculously high dividend yield . At 8.1%, its yield is among the highest you'll find among large-cap TSX stocks.

Enbridge's high yield reflects two factors: an ever-rising dividend and a falling stock price. Enbridge has raised its dividend every year for the last five years, yet its stock price remains down for the year. The two factors combined have led to an extraordinarily high yield.

The only question is whether the dividend is sustainable. The COVID-19 pandemic has blunted demand for gasoline, and ENB did run a large $1.4 billion loss in Q1. However, it recovered in the two quarters after that and actually had a slight 0.5% year-over-year earnings jump in the most recent quarter. Overall, Enbridge's business is vulnerable to the COVID-19 situation but has plenty of room to rise in the recovery.

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