



Want to Retire Wealthy? 2 High-Yield Dividend Stocks Yielding up to 7.22%

Description

Canada is one of the best places to be as a senior citizen. There is a slew of available plans for retirement income that Canadian retirees can use to earn a respectable income during the best years of their lives.

While Canadians are entitled to pensions like the Old Age Security (OAS) and the Canada Pension Plan (CPP), these pension plans are meant to cover your retirement income partially. It is crucial to create other [passive revenue streams](#) to supplement your pension income and a secondary retirement nest egg that you can use for a more comfortable retired life.

Investing in dividend stocks and storing them in your Tax-Free Savings Account (TFSA) can let you amass a significant amount of money for your retirement as you keep reinvesting your returns. When the time is right, you can use the dividends to supplement your retirement income.

I will discuss two high-yield dividend stocks you can add to your TFSA portfolio for this purpose.

Telecom giant

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#)) can be an excellent addition to your TFSA retirement portfolio. As technology has improved over the years, our smartphones and the internet have changed from being luxuries to become a necessary part of our lives. The importance of telecommunication was made apparent when the pandemic caused travel restrictions, and people found themselves staying indoors most of the time.

While the rollout of vaccines worldwide may ease travel restrictions, the need to communicate will never go away. A stock like Shaw Communications will undoubtedly increase in its value due to the essential service the company provides to its customers.

SJR managed to add more than 60,000 new wireless customers in the fourth quarter, despite the ongoing pandemic. The company also generated substantial cash flows when most businesses across different sectors were suffering from losses.

Shaw Communications is trading for \$13.65 per share at writing, and it has a juicy 5.88% dividend yield. Investing in the stock could provide you with substantial returns through its reliable dividends and capital growth through the years.

Beaten-down pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) might not seem like an ideal pick because of the weakness in the energy sector. However, the stock had a fantastic start to 2021. Its valuation is up by 14.27%, as it trades for \$34.92 at writing. Increasing crude oil prices are letting the company's stock price rise.

Pembina generates 95% of its EBITDA from fee-based contracts. It means that its highly contracted business model allows Pembina to generate reliable, stable, and predictable cash flows. The company's management is expecting its adjusted EBITDA to grow to around \$3.2 billion or \$3.4 billion by the end of the year. It has a healthy financial position due to its reliable cash flows.

Pembina took a beating like most of its energy sector peers amid the pandemic. However, it has continued to provide its investors with increasing dividends since 1998. At its current valuation, Pembina's dividend yield is at a juicy 7.22%. The high dividend yield might be concerning under normal circumstances. However, Pembina has more than enough liquidity to comfortably finance its dividend payouts.

Foolish takeaway

Investing in high-yield dividend stocks and the [shares in your TFSA](#) can help you grow your capital significantly through the years. Reinvesting your dividend income can let you unlock the power of compounding to accelerate your wealth growth. By the time you retire, you could be a much wealthier Canadian living a more comfortable life in retirement.

A portfolio with income-generating assets like Shaw Communications and Pembina Pipeline can help you achieve your long-term financial goals.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:SJR.B (Shaw Communications)

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