



Retirees: Build a 2nd Pension With These 2 Reliable Stocks

Description

Canadians are fortunate to have lifetime incomes through the Canada Pension Plan (CPP) or Old Age Security (OAS) or both. Sadly, the defined-benefit pensions do not necessarily guarantee a safe or comfortable retirement. If you have savings, it would be best to turn them into [retirement income](#).

Retirees can cope better with inflation and rising costs of living if they have a second pension. Your life circumstances will change in retirement. Regular income streams from savings can fill the [inadequacy of the CPP and OAS](#). Also, you prevent financial dislocation or stress.

The TSX is the source of a variety of income-producing investments for young and old investors. Retirees, however, can't pick randomly and not expose their savings to too much risk. If you need lasting income with less risk, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) could address your requirement.

Financial strength and stability

Bank of Nova Scotia, or Scotiabank, is a no-brainer choice. Canada's third-largest bank has a sterling dividend track record — it started paying dividends in 1832. At the current share price of \$78.27 per share, the bank stock pays a 4.61% dividend. Note the payout ratio is 67.67%.

Scotiabank's long history of paying dividends indicates financial strength and stability. This \$94.9 billion bank endured the worst recessions and two World Wars. Its resiliency was on display once more in the 2020 health crisis. The adjusted net income of \$2.4 billion in Q1 fiscal 2021 is 3% higher than Q1 fiscal 2020.

All of Scotiabank's four business lines are churning again and making strong contributions to earnings. Brian Porter, president and CEO of Scotiabank, is confident it can continue producing high-quality earnings and generating positive operating leverage in all business segments.

Vital role in Canada's recovery

BCE is another must-own stock for retirees. The solid full-year 2020 financial results are proof that business growth is unstoppable. Canada's largest telecom reported a 28.9% increase in net earnings (\$932 million in Q4 2020) versus Q4 2019. BCE's internet revenue grew by 12%. It had \$3.8 billion available liquidity on year-end 2020.

Mirko Bibic, president and CEO of BCE and Bell Canada, notes the company's commitment to lead the buildout of Canada's next-generation digital infrastructure. Management also promises to deliver increased dividend returns to the shareholders. The telco stock trades at \$57.70 per share and offers a hefty 6.02% dividend.

BCE's average operating income is \$5.4 billion in the last three years. Performance-wise, the telco stock's total return over the last 45.35 years is 63,980.68% (15.32% CAGR). Bell Canada will spend at least \$1 billion over the next two years to accelerate delivery of fibre connections, rural internet services, and the fastest 5G network to more Canadians.

Proactive planning

Retirement planning in the pandemic isn't as laid back as before. Now, you need to augment your pensions with other low-risk income sources. Dividend investing is just one of the strategies to secure your future financial well-being.

If the stock market is your chosen investment ground, make Scotiabank and BCE your core holdings. Both companies can help you build wealth and be worry-free during your retirement years.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BCE (BCE Inc.)
4. TSX:BNS (Bank Of Nova Scotia)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Tags

1. Editor's Choice

Date

2025/08/24

Date Created

2021/05/03

Author

cliew

default watermark

default watermark