The Best Dividend Stocks for Retirees in May

Description

Canada's elderly population has been the most vulnerable demographic over the course of the COVID-19 pandemic. Retirees have been unable to fully enjoy the fruits of their labour as we have been under the yoke of restrictions and lockdowns for months on end. The vaccine rollout has picked up in the spring, which gives hope that this dreadful period may be coming to an end. Retirees may want some extra cash to play with as we look ahead to a reopening. Today, I want to look at three top dividend stocks to snatch up.

This monthly dividend stock is worth targeting for retirees

Extendicare (TSX:EXE) is an Ontario-based company that provides care and services for seniors. Shares of this dividend stock have climbed 21% in 2021 as of early afternoon trading on May 10. The stock is up 37% from the prior year. Retirees should look to snag this dividend stock that is set to benefit from an aging population in the years ahead.

The company is set to release its first quarter 2021 results on May 13. In Q4 2020, Extendicare saw revenue increase 10.9% from the prior year to $307 million. Long-term care facilities have been early beneficiaries of Canada's vaccine rollout. Moreover, Ontario recently loosened restrictions for residents and now allowing in-room dining and other communal activities. For the full year, Extendicare reported revenue growth of 7.1% to $1.15 billion.

Extendicare offers retirees a monthly dividend of $0.04 per share. That represents a strong 6.1% yield.

A super energy stock that is facing challenges

Enbridge (TSX:ENB)(NYSE:ENB) is an energy infrastructure giant and one of the larges stocks by market cap on the **TSX**. The top dividend stock has increased 19% in 2021. Its shares are up 5.2% year over year. Retirees should look to this exciting stock that has achieved over a quarter century of dividend growth.

The company has faced regulatory challenges in the United States for several years. We are now days away from the May 12 deadline that could see Michigan governor Gretchen Whitmer's shutdown order on Line 5 take effect. Fortunately, Enbridge CEO Al Monaco said the company is engaged in discussions with the state.

In the first quarter of 2021, Enbridge reported GAAP earnings of $1.90 billion – up from a net loss of $1.42 billion in Q1 2020. Meanwhile, adjusted EBITDA and adjusted earnings were down marginally from the prior year. Moreover, shares of this dividend stock possess a favourable price-to-earnings ratio of 15. Enbridge offers a quarterly dividend of $0.835 per share, which represents a tasty 6.9% yield.

Retirees: Here's one more dividend stock to buy now

Shaw Communications (TSX:SJR.B)(NYSE:SJR) is based in Calgary. It operates as a connectivity company and has recently been targeted by the telecom giant **Rogers** for acquisition. Shares of Shaw have shot up 61% in 2021 on the back of this hype. This has pushed the dividend stock into the black in the year-over-year period. Indeed, retirees should look to snatch up this income-yielding equity.

In the first six months of fiscal 2021, Shaw has delivered adjusted EBITDA growth of 4.7% to $1.24 billion. Meanwhile, free cash flow has increased 26% to $473 million. The dividend stock last had a P/E ratio of 25, putting it in solid value territory relative to industry peers. It offers a monthly dividend of $0.099 per share, representing a 3.2% yield.

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