



2 Stocks to Help You Retire Rich

Description

Prospective retirees should listen to the [lament of current retirees](#) who regret not saving enough for retirement. Unfortunately, pensions don't guarantee that life will be a ball in the sunset years. Even if your Canada Pension Plan (CPP) and Old Age Security (OAS) are lifetime incomes, you need more to live comfortably and be worry-free.

Retirement requires meticulous planning, particularly creating ways to supplement your pensions that only partially replace the average pre-retirement income. It would be best to have a [steady dose of investment income](#) besides the CPP and OAS.

Canadians who are forward-looking understand the significance of saving and investing. Blue-chip or quality companies are excellent sources of passive income. Accumulating as many shares of these dividend stocks while you're young can help you retire rich.

Big bank's DNA

Paying dividends is in the DNA of Canada's second-largest bank. **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has been sharing its corporate earnings with investors since 1857. As a result, this big bank stock can continue to pay dividends for another 164 years.

At \$87.96 per share, the dividend offer is 3.59%. TD keeps the payout ratio in check (less than 45%), so the payouts are safe and sustainable. The total return of 39,096.11% (13.15%) over the last 48.34 years indicates TD's reliability as an income provider for retirees. You can buy TD shares today and stay the course for decades.

Long-term investors benefit from the power of compounding if you keep reinvesting the dividends. Let's assume your capital is \$100,000 and your investment horizon is 25 years. The money will compound to \$241,515.96. If we assume further the yield remains constant, you'll have \$2,167.67 quarterly income in retirement without touching the principal.

TD's earnings results for the first half of fiscal 2021 are short of exemplary. In the six months ended

April 30, 2021, the \$159.97 billion bank reported a 54.8% increase in net income versus the same period in fiscal 2020. Notably, provisions for credit losses went down from \$1.4 billion to \$105 million.

Mean dividend machine

Apart from its dividend track record of more than a century, telecom giant **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a mean dividend machine. The \$55.24 billion company pays a lucrative 5.73% dividend. So, your \$100,000 investment today will swell to \$402,676.05, including dividend reinvesting, in 25 years.

Over the last 45.45 years, BCE's total return is 67.723.35% (15.42% CAGR). Canada's largest telecommunications company generates tons of cash. The average revenue and net income for the last three years are \$23.4 billion and \$2.9 billion, respectively.

Management's immediate goal is to cement BCE's leadership position in the 5G network. BCE announced on June 3, 2021, an agreement with **Amazon** Web Services (AWS). The collaboration aims to modernize the digital experience for Bell customers and support 5G innovation across the country. Furthermore, BCE will become the first Canadian communications company to offer AWS-powered multi-access edge computing to benefit business and government customers.

Wealth builders

Dividend longevity is the hallmark of both TD and BCE. If you have both blue-chip assets in your dividend stock portfolio, you can regularly tap on your pensions and still have more to enjoy retirement to the fullest. More importantly, there's less worry about your capital, because the respective businesses can weather present and future economic downturns.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BCE (BCE Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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