2 Top TSX Income Stocks to Buy for Retirement

Description

The time to think about retirement is always yesterday. However, the thought that typically goes into retirement planning is that it's a problem for tomorrow.

For those seeking to get a head-start on picking some stocks to put in that RRSP for the long term, these two stocks are among the best picks in Canada. Let's take a look at why investors should consider **Fortis** (TSX:FTS)(NYSE:FTS) and **Enbridge** (TSX:ENB)(NYSE:ENB) right now.

Fortis

In the utilities sector, Fortis remains one of my top picks.

Indeed, the company's strong fundamentals and solid cash flows provide defensiveness that's hard to find. This utility makes money when its customers keep the lights and the heat on. That means Fortis will continue to churn out impressive cash flow.

Indeed, Fortis's allure for long-term investors is mainly tied to the company's impressively growing dividend. Fortis' track record of raising its dividend every year for nearly five decades is impressive. That's some sleep-at-night security for investors looking for income growth in retirement.

Even if the stock market provides volatility, Fortis's dividends are always there to keep investors warm at night. And the company's plan of raising its dividend at a 6% clip through 2025 is evidence this track record isn't likely to be broken any time soon.

Additionally, Fortis is making headway in the ESG space. The company's investing $20 billion in green energy and other projects to lower GHG emissions. These strategies could pay dividends (figuratively and literally) for investors over the long haul.

Enbridge

Another income stock most investors like is Enbridge. However, unlike Fortis, Enbridge is poised to be a slower-growth option in terms of dividend appreciation. The company is targeting 3% annual dividend hikes over the medium term. This rate has been lowered from the mid- to high-single-digit pace the company kept for many years.

Why?

Well, for starters, Fortis's current yield is around 6.8%. Therefore, the company doesn't need to raise its dividend aggressively from here for investors to get a great yield.

Secondly, Enbridge is investing heavily in improving its balance sheet and funding its capital-spending needs. By relying less on debt for such projects, the company can increase its earnings per share over time for investors. That's great for retirees banking on long-term capital appreciation with this income stock as well.

Indeed, we've seen the economic value of pipelines play out in recent months via the closure of some key pipelines. Until we fully transition to a green energy future, Enbridge will be there to guide us along the way. Investors looking for a high-yield dividend stock today can't do much better than Enbridge right now.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. dividend
2. dividend stock
3. growth
4. growth stocks
5. investing
6. market
7. Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Tags

1. dividend
2. dividend stock
3. growth
4. growth stocks
5. investing
6. market
7. Stocks

Date
2025/08/14
Date Created
2021/06/26
Author
chrismacdonald