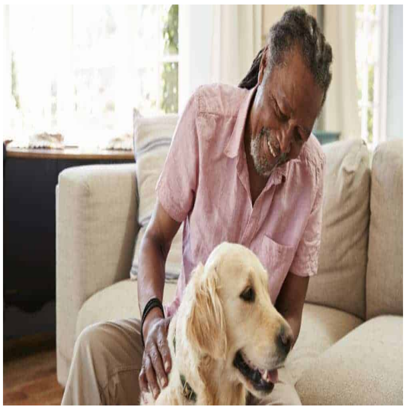

Retirees: Boost Your Passive Income With These 4 Safe Dividend Stocks

Description

Retirees should plan to generate sufficient passive income to cover their expenses without a job. Meanwhile, investing in fundamentally strong dividend companies is one of the excellent means to earn passive income. Given retirees' low-risk-taking abilities, here are four safe Canadian stocks that generate strong cash flows while paying dividends at healthier yields.

NorthWest Healthcare

First on my list would be **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). The company generates stable cash flows, thanks to its highly defensive and diversified portfolio. Besides, the company's inflation-indexed rents, government-backed tenants, and long-term agreements provide stability to its financials.

Meanwhile, NorthWest Healthcare is also focusing on acquiring new properties in Australia and Europe and has recently raised approximately $200 million through new equity offerings. It has planned to use the net proceeds to acquire the Australian Unity Healthcare Property Trust, which owns 62 medical facilities with a high occupancy rate of 98%.

So, these acquisitions could boost the company's cash flows, allowing it to continue paying dividends at a healthier yield. Currently, the company's forward dividend yield stands at an attractive 6.15%. So, I believe NorthWest Healthcare would be an excellent buy for retirees.

Canadian Utilities

Canadian Utilities (TSX:CU), a diversified energy infrastructure company, has raised its dividends for the last 49 consecutive years, the longest among Canadian public companies. The company earns most of its earnings from regulated assets and contractual agreements, delivering stable and predictable financials.

Supported by these stable cash flows, the company has raised its dividend consistently. Currently, its forward dividend yield stands at a healthy 4.95%.

Meanwhile, Canadian Utilities has planned to invest around $3.2 billion over the next three years, increasing its utility asset base. Further, the acquisition of Pioneer Natural Gas Pipeline in September 2020 could continue to boost its financials in the coming quarters. So, given its healthy growth prospects and stable cash flows, the company is well-equipped to continue raising its dividends.

BCE

BCE (TSX:BCE)(NYSE:BCE) is one of the three top players in the Canadian telecommunication space. Telecommunication companies, including BCE, generate stable cash flows irrespective of the economic environment due to the essential nature of their service in this digitally connected world. Besides, digitization and rising remote working and learning are driving the demand for fast and reliable internet services. So, the advent of 5G could be a significant growth driver for BCE.

Meanwhile, the company is investing aggressively in expanding its fiber, wireless home internet, and 5G networks, which could boost its financials in the coming years. Also, the company's balance sheet looks strong, with its liquidity standing at $6.5 billion as of March 31. Besides, the company also pays quarterly dividends, with its forward dividend yield standing at 5.61%.

So, given the favourable environment, healthy growth prospects, strong liquidity position, and high yield, BCE would be an excellent buy for income-seeking investors.

Enbridge

My final pick would be **Enbridge** (TSX:ENB)(NYSE:ENB), which has been paying dividends uninterruptedly since 1953 while raising the same for the last 26 straight years at a compound annual growth rate (CAGR) of over 10%. Its 40 diverse revenue sources, regulated assets, and long-term contracts generate stable cash flows allowing the company to raise its dividends consistently.

Meanwhile, the company pays a quarterly dividend of $0.835, with its forward yield currently standing at 6.86%.

Further, the company has planned to invest around $17 billion over the next three years, expanding its midstream and renewable assets. These investments could further increase its adjusted EBITDA by $2 billion. So, the company is well-equipped to continue raising its dividends in the coming years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)

4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)
6. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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