Enhance Your Retirement Income With These Top Canadian Stocks

**Description**

People give more attention to where and when to invest. However, investing becomes much simpler when we focus on the whys. If you invest with considerable clarity about your financial goals, the complexity notably wanes. It will also give you more clarity about your risk-taking abilities.



## TSX stocks and long-term investing

Timing the markets and reaching the seven-digit figure ASAP is the main focus for most millennial investors these days. However, growing money slowly but consistently has been one of the best investment plans for decades.

Consider top telecom giant **BCE** (TSX:BCE)(NYSE:BCE). It has delivered an average total return of 12% in the last decade, including dividends. That's almost triple the **TSX Composite Index**. Although that falls way lower than growth stocks, I think the risk/reward proposition highly favours long-term investors.

BCE has been the household name and is the country's biggest telecom company by market cap. Telecom companies generally earn stable cash flows because of their low-risk operations. BCE has been no exception and has earned stable cash flows, which have allowed it to distribute stable dividends over the years. It currently yields a decent 5.5% — higher than TSX stocks at large.

If you'd invested $10,000 in BCE a decade back, you would have accumulated approximately $175,000 today. Based on BCE's yield, the reserve will create $9,650 in dividends annually.

## Top Canadian dividend stocks to buy

Another Canadian stock that offers less volatility and decent long-term return prospects is **Enbridge** (TSX:ENB)(NYSE:ENB). It pays stable dividends that yield nearly 7% — almost double than TSX stocks at large. Enbridge has managed to increase dividends for the last 26 consecutive years. It earns stable cash flows with fixed-fee operations and pays stable dividends. This makes its stock comparatively less volatile against growth stocks.

Dividend-growth investing is one of the most effective but underrated long-term investing strategies. Even if you are a top stock picker, commissions and taxes can eat a lot of your gains in frequent trading. Instead, a buy-and-hold strategy with quality stocks that grows dividends consistently will reap significant gains in the long term.

Investors can expect stable earnings growth from Enbridge for the future, as they are not significantly affected by volatile oil and gas prices. And thus, most likely, its dividend-growth streak will also likely continue for decades.

ENB stock has returned more than 10% on average in the last decade. $10,000 invested in ENB stock 10 years ago would have accumulated to $164,000 today. The reserve will make $11,480 in dividends annually, or $957 per month. The dividend amount will keep growing, as the company’s earnings increase.

## Bottom line

It does not mean that you should avoid growth stocks altogether. Perhaps aggressive investors that are okay with the large stock price swings can consider growth stocks. However, these dividend stocks will create a stable passive-income stream for your sunset years. And, importantly, their relative stability will protect your portfolio from broad market uncertainties in the long term.



**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

**TICKERS GLOBAL**

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

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