



2 Dividend Stocks That Are Tailor-Made for Retirement

Description

The COVID-19 pandemic came along to shape up the retirement plans for many Canadians nearing their retirement. The travel restrictions, lockdown measures, and mandated social distancing regulations significantly reduced discretionary spending for many Canadians. Combined with payments through stimulus programs, savings rates increased broadly throughout the pandemic.

However, the pandemic did not do *any* favours when it comes to older Canadian adults. A poll conducted by the Healthcare of Ontario Pension Plan and Abacus found that over 60% of the respondents could not set anything aside for their retirement in 2020.

If you have managed to set aside a nest egg for your retirement, it would be ideal to consider creating another income stream that can supplement your retirement income. Bonds, GICs, and other fixed-income assets do not provide you with returns that can keep pace with [rising living costs and inflation](#). Reliable dividend stocks are a far better alternative to maximize the returns from your savings to supplement your income.

Creating a portfolio of reliable dividend stocks in a [Tax-Free Savings Account](#) (TFSA) could be an excellent way for you to boost your retirement income without worrying about moving to a higher tax bracket.

Today, I will discuss two dividend stocks that could be perfect for your dividend income TFSA portfolio.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is a leading telecom provider in Canada with a network infrastructure that offers TV, mobile, and internet services to Canadians across the country. BCE stock is a dividend-paying stock that has been a favourite among long-term investors for its ability to deliver substantial growth while generating stable cash flows.

The company's diversified revenue streams and the essential nature of its services allow BCE to grow its share price and shareholder dividends without worrying about being able to sustain its growth. With

the advent of its 5G services, BCE could be looking at a considerable boost to its revenues.

At writing, the telecom stock is trading for \$64.79 per share and boasts a juicy 5.40% dividend yield that you could lock into your portfolio today.

Manulife Financial

Manulife Financial (TSX:MFC)(NYSE:MFC) is a massive company with wealth management, insurance, and asset management operations across Canada, the U.S., and Asia. The company's solid business in Asia is projected to be Manulife Financial's primary growth driver for the next decade and beyond.

The economic fallout from the pandemic resulted in investors losing faith in the company as its share prices declined by 50% between January and March 2020. However, the stock has since started to recover slowly. At writing, the stock is down by 10.21% from its January 2020 highs. It means that Manulife stock still has some upside left before it recovers to its pre-pandemic levels.

The stock is trading for \$24.81 per share and boasts a juicy 4.51% dividend yield that you can lock into your portfolio right now.

Foolish takeaway

Retirees in Canada can enjoy some retirement income through pension programs like the Canada Pension Plan (CPP) and Old Age Security (OAS). However, these pension plans are designed to provide you with a portion of the retirement income you might need to live a comfortable retired life. Most income streams you can create for your retirement could contribute to your taxable income and move you to a higher tax bracket.

Fortunately, TFSA investing with the right [income-generating assets](#) can allow you to boost your retirement income without worrying about having to pay additional taxes. Any earnings in your TFSA can grow your account balance without incurring taxes, and you can make tax-free withdrawals from the account.

A dividend income portfolio with assets like BCE stock and Manulife Financial stock as the foundations could provide you with a considerable boost to your retirement income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:BCE (BCE Inc.)
4. TSX:MFC (Manulife Financial Corporation)

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Author

adamothonman

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