



Canadian Retirees: 2 High-Yield Stocks for Your Portfolio

Description

There was a time when fixed-income assets like bonds and Guaranteed Income Certificates (GICs) provided Canadian investors with a reliable method to generate guaranteed passive income to cover their needs. The promise of getting guaranteed income through these assets is still there.

Unfortunately, GICs and bonds no longer provide you with returns that can keep pace with rising inflation rates. Older Canadian citizens looking to generate reliable returns that can also keep pace with inflation are turning to their [Tax-Free Savings Accounts](#) (TFSAs) with a portfolio of dividend stocks.

Stock market investing entails some capital risk, even when you invest in the most reliable stocks. However, some Canadian companies with a reputation for providing virtually guaranteed payouts can provide Canadian retirees with [above-average returns](#) through shareholder dividends.

Today, I will discuss two Canadian energy stocks that you can consider adding to your portfolio to earn tax-free passive income that can keep pace with inflation.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) could be an excellent stock to add to your portfolio if you are looking for dividend income that keeps rising each year to keep pace with inflation rates. The energy company has increased its shareholder dividends each year for the last 20 years and has the potential to continue delivering dividend hikes for a long time.

TC Energy currently has a \$21 billion capital program underway that could drive further dividend increases for at least 5% over the coming years. Despite the challenging operating environment due to the ongoing pandemic, the company's oil and gas pipeline networks have a demand near its historically high levels.

The company has outlined its ESG goals to reduce its carbon footprint. TC Energy recently announced a partnership to develop a carbon sequestration source that will play a part in it becoming a company with net-zero carbon emissions. At writing, the stock is trading for \$63.68 per share, and it boasts a

juicy 5.46% dividend yield.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another high-yield dividend stock that could be an excellent buy for retirees seeking growing dividend income that can keep pace with inflation rates. The energy infrastructure company boasts a massive \$103.31 billion market capitalization and a terrific track record of providing its shareholders with reliable dividend income.

Enbridge stock was struck hard due to the pandemic. However, the company managed to persevere during the challenging operating environment and remained profitable in 2020. The energy infrastructure company has had a stronger year on the stock market in 2021. At writing, the stock is up by 24.85% year to date, and its focus on expanding its presence in the U.S. and growing renewable power operations are positioning it well for the future.

At writing, the stock is trading for \$51 per share, and it boasts a juicy 6.55% dividend yield.

Foolish takeaway

TC Energy and Enbridge are excellent companies that pay their investors their shareholder dividends at attractive yields, making them ideal for income investors. Considering the wide economic moats and reliable cash flows generated by the businesses, TC Energy stock and Enbridge stock can continue offering growing dividends that can keep pace with [rising inflation rates](#).

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:TRP (Tc Energy)
3. TSX:ENB (Enbridge Inc.)
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