Retirees: 3 Dirt-Cheap Dividend Stocks That Yield up to 4.5%

Description

The retirement picture for many Canadians was already uncertain coming into this new decade. Unfortunately, the COVID-19 pandemic stirred more debate over how citizens should deal with their work and financial futures. A recent survey from Ryerson University's National Institute on Aging (NIA) found that 77% of respondents within the 59-66 age demographic were worried about their financial health. Nearly 80% were worried that their retirement income would be insufficient to achieve a comfortable retirement. Today, we'll look at how retirees can navigate this challenging environment. One strategy is to target undervalued dividend stocks in your portfolio — it's even better if those stocks offer a nice yield.

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Retirees can trust telecom stocks for the long term

Canadian telecommunications firms may not have the biggest fan clubs among consumers, but these stocks offer fantastic stability for retirees and other conservative investors. **Cogeco Communications** (TSX:CCA) is a Montreal-based communications corporation. Shares of this dividend stock have climbed 11% in 2021 as of close on October 20. However, the stock has dropped 5% month over month.

In Q2 2021, Cogeco delivered revenue growth of 8.2% to $634 million. Meanwhile, adjusted EBITDA climbed 10% to $307 million. Cogeco has been powered by growth in its Canadian broadband services. It also posted a strong performance in its American broadband services space.

This dividend stock last had a favourable price-to-earnings (P/E) ratio of 13. Moreover, it has an RSI of 27. That puts Cogeco in technically oversold territory. Retirees can also rely on its quarterly distribution of $0.64 per share. That represents a 2.3% yield.

This reliable dividend stock is undervalued in late October

Food prices have posted big increases in 2020 and 2021, weighing heavily on the wallets of Canadian consumers. Inflation rose another 4.4% in September, and food prices were a big part of that jump.

The price of butter and cheese rose 6.3% and 4.6%, respectively.

Saputo (TSX:SAP) is one of the largest dairy processors on the planet. Retirees looking for dependability as inflation surges should consider consumers staples like this. Shares of the Montreal-based dairy giant dropped 12% so far this year. The dividend stock has plunged 22% over the past six months.

Investors can expect to see Saputo's second-quarter fiscal 2022 results on November 4. In Q2 fiscal 2021, the company delivered revenue growth of 2.9% to $3.48 billion. Despite the myriad challenges in the pandemic economy, management still expects to deliver solid earnings growth going forward. This is a dividend stock worth your attention right now.

Saputo stock possesses a solid P/E ratio of 24. It last had an RSI of 35, just shy of oversold levels. Retirees can count on its quarterly distribution of $0.18 per share, representing a 2.2% yield.

One more cheap dividend stock for retirees to consider today

Transcontinential (TSX:TCL.A) is another dividend stock that retirees should consider in late October. This Montreal-based company is engaged in the flexible packaging business in Canada and around the world. Its shares have dropped 2.6% in the year-to-date period. The stock has plunged 15% in the last half year.

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In Q3 2021, the company delivered revenue growth of 5.8% to $621 million. Net earnings in the first nine months of 2021 rose to $91.4 million — up from $80.4 million in the previous year. This dividend stock last had a favourable P/E ratio of 12. Retirees can count on its quarterly distribution of $0.225 per share. This represents a very solid 4.5% yield.

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