



2 Dividend Stocks to Buy if You Fear Retirement

Description

It's not discussed enough among investment sites, but retirement is terrifying. Baby boomers grew up with a strong sense of security, and that's seen through the data on children.

Whereas before, women were having an average of four children per family in Canada after the World War II, today, that's been cut in half. In some areas, such as my hometown of London, Ont., it's even lower.

This comes with several decades of economic downturns weighing on retirees, with couples fearing they can't buy a house, even after having a full-time job, never mind have children to fill it.

So, it's clear that economic pressures continue to weigh on Canadians, and that, of *course*, includes retirees.

Don't fear the freedom!

Retirement can seem like a far-off dream to many [potential](#) retirees. Canadians are working well into their 60s and even 70s, and if that's what you want, hey, that's all you! But if you're dreaming of retirement with the fear you won't be able to support your lifestyle over the next few decades, that's completely understandable.

The other massive change hasn't just been through household finances and the economy, it's also been healthcare. Just 100 years ago, the life expectancy of Canadians was around 58! Fast forward to today, and life expectancy is now well into your 80s. That's several more decades that you need to support yourself.

So, how do you do it?

Dividend stocks

If you're a baby boomer looking towards retirement, then you've likely already been focusing dividends. But there are some strong dividend stocks out there that could seriously help you reach your retirement goals. If you want retirement, you want high-paying dividend stocks that will continue paying not just for decades but in the immediate future.

In that case, I would definitely look to pipeline stocks. But not just *any* of the pipeline stocks. You want ones that have long-term contracts, sure, but also those looking towards the future of the pipeline industry.

In this case, I would latch on to pipeline companies such as **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) and **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). Both dividend stocks offer dividend yields above 5%. Pembina stock has seen its [dividend](#) rise at a compound annual growth rate (CAGR) of 4.91% during the last decade. TC stock has grown its dividend at a CAGR of 7.31%.

The companies

Both these companies are Dividend Aristocrats, meaning they've increased their dividends each year for the last 25 consecutive years. What's more, both have a lot of growth in the future, again supported by long-term contracts to keep cash flowing in.

Pembina stock and TC stock entered a [partnership](#) earlier this year to create the "Alberta Carbon Grid." this will use its existing pipelines to transport 20 million tonnes of carbon each year. This will help manage emissions and move towards a lower-carbon economy and support the new industry of Alberta's carbon capture utilization and storage industry.

So, there you have the dividends supported by current contracts, and your future supported by this new partnership. Furthermore, each company is also investing in other renewable assets, of which pipeline companies will need to evolve and take on if they hope to survive.

In the case of Pembina and TC, it looks like these dividend stocks will.

Foolish takeaway

Retirement doesn't have to be scary. In fact, you can create massive wealth by investing in these companies! Let's say you could invest \$20,000 into Pembina stock and TC stock today. That would give you a total of \$2,224 in annual income.

But let's *now* say retirement is just five years off. After all, you have some planning to do! If, in that time, you'd invested those dividends back into the companies, you could use your TFSA to bolster your pre-retirement cash. In the case of these companies, given historical data over the last two decades, you could have a \$40,000 portfolio turn into a \$84,535.25 portfolio! Keep doing that each year during retirement, and you can live your life in financial freedom.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TRP (Tc Energy)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatwolfe
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/07/06

Date Created

2021/10/23

Author

alegatwolfe

default watermark

default watermark