



Retirees: 3 Passive Income Stocks to Own for Life

Description

In [retirement](#), it is crucial to balance a stable stream of passive income and downside risk protection. You want to own stock investments with have strong balance sheets, good management, inflation-hedged growth, and well-covered dividends. A portfolio with diverse exposure to a variety of sectors and stocks is ideal. Here are three **TSX** stocks that deliver great passive income streams, a low-risk profile, and are ideal for a long-term [buy-and-hold](#) strategy.

A solid portfolio anchor

Canadian banks are well-capitalized and highly regulated, so they have been a reliable investment over the years. One bank that looks well-positioned is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). It is one of Canada's largest retail banks, but it also has a strong presence in the United States.

Coming out of the pandemic, TD has a very strong balance sheet and lots of excess capital. Once regulators allow, it should be able to [raise its dividend](#) significantly. Similarly, excess capital could be deployed into growth and acquisition opportunities in its U.S. franchise.

Since interest rates are expected to rise, that should also be favourable in expanding TD's net interest margins and enhancing earnings returns. Every quarter, TD pays a \$0.79 per share dividend. That is a nice passive income stream that equals a 3.5% dividend yield right now.

A leading infrastructure stock for passive income growth

Another stock you can rely on for passive income is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). Modern society relies on power transmission and natural gas pipelines to heat and power our homes and businesses. Fortis owns and operates transmission infrastructure across North America. These assets capture reliable, regulated streams of income, which it passes through to its shareholders.

Fortis is down 5% from highs set in August. It pays a 3.9% dividend right now. That is equal to \$0.535 per share every quarter. The great news is that it has raised its dividend annually for 47 consecutive

years.

Not only that, but it expects to keep growing that dividend by an annual rate of 6% all the way until 2025. For defence and dividend growth, this is a great passive income stock to own for retirement.

A top real estate stock for passive income

Real estate is a great asset to buy and hold for passive income for the long term. Owning a rental property can be a real pain, so why not just own a high-quality real estate investment trust (REIT) like **Granite REIT** ([TSX:GRT.UN](#))?

With Granite, you get institutional-grade industrial and logistics properties across Canada, the United States, and Europe. You also get a top-tiered management team and one of the best, low-levered balance sheets among Canadian peers.

Truly, this stock is the best way to earn passive income from real estate. Industrial real estate is seeing some very strong tailwinds from e-commerce and manufacturing on-shoring. Since the pandemic, industrial and logistics properties have enjoyed very strong demand. Granite has been seeing steady rental growth and very high occupancy.

Granite pays a 3% dividend today. That works out to a distribution of \$0.25 per unit every month. It has raised that dividend every year for the past nine years. Given the strength in its operations, chances are good it will raise that dividend again this year and likely for years ahead. Forget a rental property and just buy this REIT. Chances are good it will be less hassle and the returns will be even better.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:FTS (Fortis Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FTS (Fortis Inc.)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)
5. TSX:TD (The Toronto-Dominion Bank)

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