# The 2 Best Dividend Stocks in Canada to Help You Retire Early

## Description

Investing in high-quality dividend stocks is one of the best ways to plan your early retirement. It requires years of careful planning and financial disciple to save enough money to invest in high-yielding dividend stocks. That's why I always advise investors to start planning for their post-retirement financial freedom as early as possible. If you start buying good dividend stocks with your savings early, your hard-earned money could multiply by the time you retire.



In this article, I'll highlight two amazing Canadian dividend stocks with high dividend yields that investors can buy right now and hold for the long term.

## Enbridge stock

**Enbridge** (TSX:ENB)(NYSE:ENB) is my first and foremost pick for the investors who want to invest in stocks with early retirement in mind. This Calgary-based energy infrastructure firm currently has a dividend yield of 6.3%, with a decades-long track record of delivering outstanding returns to investors.

As the COVID-19 related shutdowns caused a big drop in oil prices and energy demand in 2020, Enbridge's adjusted earnings fell by roughly 9% from a year ago. Despite these negative factors, the company increased its dividend per share by nearly 10% last year. In 2021, surging oil prices are helping Enbridge recover fast as it's on course to deliver strong earnings growth this year — even higher than its pre-pandemic levels.

Enbridge recently acquired Moda Midstream Operating — one of the top North American crude oil export facilities — in a deal worth US$3 billion. This deal is likely to accelerate ENB's financial growth and advance its U.S. gulf coast strategy.

While its energy infrastructure business continues to drive strong growth, the company is also investing heavily in renewable energy for the future. Year to date, Enbridge stock has risen by 29.6% compared to a 21.5% rise in the **TSX Composite Index**. Given its impressive dividend yield and consistent financial growth, long-term investors can consider buying it right now as this decision could help them retire early.

## Labrador Iron Ore Royalty stock

**Labrador Iron Ore Royalty** (TSX:LIF) has one of the highest dividend-paying stocks on the **TSX** today. This Canadian stock has a whopping dividend yield of more than 14% at the moment. It’s a Toronto-based company with a 15.1% equity investment in the mining giant Iron Ore Company of Canada (IOC).

IOC is the top Canadian resources sector firm that helps Labrador Iron Ore Royalty reward its investors with solid dividends. Analysts expect Labrador Iron Ore’s 2021 revenue to be around $263.7 million — significantly higher than its 2019 revenue of $178.3 million. Despite the COVID-19 related challenges, the company managed to post a strong 11% rise in its adjusted earnings to $3.55 per share. In the ongoing year, its earnings are expected to jump by 54% to around $5.47 per share.



Despite all these positive factors and growth expectations, Labrador Iron Ore Royalty stock has risen by just 14% in 2021 — underperforming the broader market. That’s why long-term investors who want to buy dividend stocks for their early retirement planning could buy LIF stock right now.

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