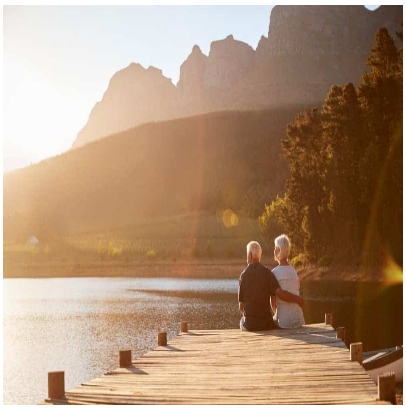

# Retirees: The 3 Best Dividend Stocks for Passive Income

## Description

Dividend stocks offer relatively high returns and the ability to increase shareholder payouts over time. Not only does this provide a viable alternative to low-interest bond payments, but income growth gives retirees the ability to keep pace with the rising cost of living. Thus, dividend stocks offer retirees an additional source of passive income throughout retirement.



**Pembina Pipeline** (TSX:PPL)(NYSE:PBA), **Enbridge** (TSX:ENB)(NYSE:ENB), and **Royal Bank of Canada** (TSX:RY)(NYSE:RY) are companies with strong business models, a history of dividend increases, and financial stability, making them ideal for investors who are looking for a reliable source of income.

## Pembina Pipeline

The energy sector is full of decent dividend stocks, but few of them offer monthly dividends. Pembina Pipeline, with its big 6.1% dividend yield, is one of them.

It is one of the biggest players in the energy sector and one of the safest. Most energy companies are very closely tied to the price and outlook for oil. But pipeline stocks generate most of their income from long-term contracts.

So, even if oil prices fall, the revenues of companies like Pembina do not suffer as much as companies related to exploration and refining. However, it is not completely immune to market downturns, hence the high payout rate. But the company has maintained its dividends in the worst-case scenario.

Pembina has increased its dividend over the past eight years, which is a great indicator of financial health. This Dividend Aristocrat will most likely maintain its dividend-growth streak and continue to increase its dividend for the foreseeable future. The stock has gained approximately 50% over one year.

## Enbridge

Enbridge is a mid-market company with a growing portfolio of renewable energies. To give an indication of the company's dominance, Enbridge ships over 20% of the natural gas consumed in the United States and 25% of North American crude oil.

Also a Dividend Aristocrat, Enbridge has increased its dividend for over 25 years. The company's stock also performed well, rising more than 40% over the past year. With a very healthy 6.4% dividend yield, Enbridge is very keen on delivering value to its shareholders.

The company has been paying dividends for over 69 years to its shareholders. Dividends per share have increased by approximately 16% per year over the past 10 years.

Enbridge has strong cash flow. With its secure and growing dividend, Enbridge is a good company for income and dividend-growth investors.

## Royal Bank of Canada



Royal Bank is not only Canada's largest bank but also one of the most diverse. The bank generates about 58% of its revenues in Canada and 26% in the United States with the remainder coming from abroad. Its geographical distribution allows it to be well exposed to better growth opportunities.

This Dividend Aristocrat has paid dividends to shareholders every year since 1870, boasting one of the longest track records in the market. Over the past 10 years, the dividend has grown at an average compound annual growth rate of 7.7%. The current dividend yield is over 3%. As the largest bank in Canada with a significant economic moat, it's a safe bet that dividends will likely continue for a very long time.

Overall, Royal Bank is one of the best managed, most conservative and profitable banks in the world. Royal Bank strikes the perfect balance between revenue growth and dividend growth. Shares have gained more than 40% over one year.

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2. Investing

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5. TSX:PPL (Pembina Pipeline Corporation)
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sbchateauneuf