



## Retirees: 4 Top Dividend Stocks to Buy for Passive Income

### Description

The **S&P/TSX Composite Index** has finally started to rebound. While that's great news for the [economy](#), it's not so great for growth investors seeking quick income. But if you're a retiree, these Motley Fool investors don't need quick income, they need *sustainable* income. That's why dividend stocks are a strong option for your portfolio.

If you're a retiree with a Tax-Free Savings Account (TFSA) you can take your dividend income and reinvest it into these companies for even more passive income in the future. You can then take it out tax-free when need. And by re-contributing your TFSA with dividend income, Motley Fool investors don't risk hitting the contribution limit!

So with that in mind, today I'll be discussing four options to make up a strong portfolio of dividend stocks, all in different key industries.

### Nutrien

**Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) holds the market share of the crop nutrient market across the world. It's been buying up companies all over the place, getting a [foothold](#) in important markets as the world's arable land becomes less and less. That makes it a solid investment for the future of food.

But the \$89 billion company is one of the best dividend stocks in Canada as it continues to expand both organically and through acquisitions. Much of this organic growth came through its digital revenue structure. Its earnings were incredible, hitting record adjusted EBITDA of \$4.7 billion, and increasing its full-year EBITDA outlook to between \$6.9 and \$7.1 billion based on global demand.

Nutrien shares are up 31% year to date, with a P/E ratio of 17.27. It offers a dividend yield of 2.68%.

### CIBC

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is one of Canada's biggest Big Six

Banks, with a market capitalization of about \$67 billion as of writing. It managed to emerge from the pandemic relatively unscathed and has since launched the first new logo in decades. This alone was a huge investment, showing the strength in the company's growth prospects.

Earnings are due December 2, and analysts believe the next quarter should be another strong one. Among the banking dividend stocks, it beat analyst estimates by \$0.59 for the last quarter. Meanwhile, it's likely that the halt on dividend increases should come to an end in the next few weeks. This could mean we see sustained growth for CIBC's already high dividend in the double digits.

CIBC stock is up 31% year to date, with a P/E ratio of 11.35. It offers a dividend yield of 3.92%.

## Enbridge

If we're talking about dividend stocks, there are two others we cannot ignore, and one is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Enbridge stock offers a sustainable, strong dividend yield thanks to its long-term contracts. As the price of oil increases, the use of Enbridge pipelines continues to rise. The company also has further projects on the go to create more income for the future.

Enbridge stock also recently made a partnership to turn organic waste into renewable natural gas. In fact, this new process has already started up, according to Enbridge. For just \$2 a month, users can "opt up" to take their organic waste and add it to the company's gas already in use.

Shares of Enbridge stock are up 19% year to date, with a P/E ratio of 17.82. It offers a dividend yield of 6.59%.

## Fortis

Finally, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) cannot be forgotten as it is the only Canadian company among dividend stocks to soon be a Dividend King! That will mark 50 years of dividend [increases](#). This comes from the company's stable growth through acquisition approach. It simply takes in the stable utility revenue from long-term contracts, pays out dividends, and uses the remainder to buy up more companies.

While the company isn't exciting, falling in line with earnings estimates again and again, that's what retirees should like about it. They know what they're getting: stable income and solid dividend increases year after year.

Shares of Fortis stock are up 10% year to date, with a P/E ratio of 21.21. It offers Motley Fool investors a dividend yield of 3.82%.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)

2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. NYSE:NTR (Nutrien)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FTS (Fortis Inc.)
8. TSX:NTR (Nutrien)

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