



## 2 Dividend Stocks to Provide a Lifetime of Passive Income

### Description

The Canada Pension Plan (CPP) and Old Age Security (OAS) are retirement foundations for Canadians. While both pensions are for life, they're not enough to live comfortably in retirement. Most would-be retirees secure their financial futures by investing their [retirement savings](#) in only two dividend stocks.

If you need a third pillar that can provide pension-like or lifetime passive income, purchase shares of blue-chip companies. The perennial top choices of long-term investors are **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)).

Having one or both as anchors in your stock portfolio will give you [peace of mind](#) regardless of economic conditions. The top-tier energy infrastructure company in North America and Canada's largest bank have never failed to keep their loyal investors whole on [dividend payouts](#).

### Best-in-class franchises

Enbridge is solid as ever notwithstanding the market's ups and downs plus the inherent volatility in the energy sector. The \$102.21 billion company's competitive advantages are its low-risk pipeline and utility business model. Its liquids pipeline network transports 25% of the region's crude oil requirements.

The gas distribution business is North America's largest natural gas utility, while the gas transmission segment takes care of moving 20% of the natural gas consumption in the United States. Enbridge is also moving up the ladder in contracted renewable energy. It's now in the 12th spot in North America.

Enbridge impressed investors once more with its financial results after the first three quarters of 2021. Adjusted net earnings grew 11% to \$4.17 billion versus the same period in 2020. According to its President and CEO Al Monaco, they are on track to deliver over \$10 billion of capital into service this year. He expects significant free cash flow growth in the near term.

Management is preparing to present the outline of Enbridge's three-year plan priorities during the annual investor day on December 7, 2021. Meanwhile, current investors enjoy a 32.72% year-to-date

gain. At \$50.45 per share, you'll relish the 6.62% dividend yield.

If you own \$112,500 worth of Enbridge shares today, the annual dividend payout is \$7,447.50. The amount on a monthly basis (\$620.63) is slightly higher than the average monthly CPP benefit for 2021 (\$619.68).

## No-brainer choice

There's no question that RBC is a reliable "forever" income stock. The \$187.54 billion bank has an exemplary dividend track record (151 years) that won't cease to extend for another century perhaps. Because of its solid capital position, the bank can navigate or endure complex or harsh economic environments.

Thus far, in 2021, RBC outperforms the broader market, +30.53% versus +23.06%. Even analysts at the **Canadian Imperial Bank of Commerce** are bullish on its industry peer. They see the share price rising between \$145 to \$149 from the current \$131.67.

RBC will present its Q4 and full-year fiscal 2021 results on December 1, 2021. Investors are excited because management might announce a dividend hike which currently is 3.28%. The Office of the Superintendent of Financial Institutions (OSFI) has lifted the ban on dividend increases and share buybacks early this month. RBC had \$9.9 billion in excess capital after Q2 fiscal 2022.

## High-quality assets

Enbridge and RBC are wealth-builders and high-quality dividend stocks. Like pensions, their dividend payments should be lasting ones.

### CATEGORY

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2. NYSE:RY (Royal Bank of Canada)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RY (Royal Bank of Canada)

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## Date

2025/07/01

## Date Created

2021/11/26

## Author

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