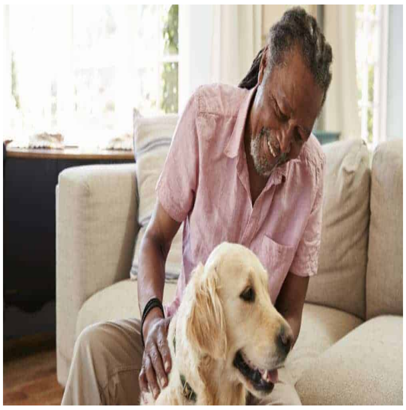

Retirees: 2 Top Dividend Stocks to Buy for Stable Income

Description

Canadian retirees have been worried about the performance of their investments ever since the pandemic struck. The volatility created by the pandemic-induced challenges has had a significant impact on stock markets worldwide. If you are a Canadian retiree or are nearing retirement, high-growth investments are too much of an unnecessary risk for you to consider.

If you want to reevaluate your portfolio and gear it more towards supporting your retired life, dividend investing might be the right way to go.

Today, I will discuss two top dividend stocks that you can add to your investment portfolio to generate a reliable and stable passive income that can supplement your retirement pensions through the Old Age Security (OAS) program and Canada Pension Plan (CPP).

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a no-brainer for many stock market investors seeking income-generating assets that can offer them a reliable and stable income stream. Fortis is a $27.95 billion market capitalization utility holdings business that owns and operates several utility businesses across Canada, the U.S., Central America, and the Caribbean.

The company earns most of its revenue through highly rate-regulated and long-term contracted assets. It means that Fortis generates predictable cash flows that the company's management can use to comfortably fund its growing shareholder dividends. Fortis is a Canadian Dividend Aristocrat with a 48-year dividend-growth streak. At writing, the stock trades for $59.10 per share, and it boasts a 3.62% dividend yield.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is a $110.24 billion market capitalization giant in Canada's banking industry. When it comes to investing in reliable dividend stocks, you cannot go wrong with any of Canada's Big Six banks. Scotiabank is the third-largest Canadian bank in market capitalization. It might make for a more attractive pick among its peers due to its extensive presence in the Pacific Alliance trade bloc countries of Colombia, Mexico, Peru, and Chile.

These Latin American countries have been suffering due to the pandemic. However, as the economic reopening continues, these markets continue to boost Scotiabank's international operations. The bank's domestic operations performed well during 2021 and could be set for better performance with the impending announcement of rate hikes. Combined with its presence in Latin America, Scotiabank stock could see a significant boost in the coming years.

At writing, Scotiabank stock trades for $90.68 per share, and it boasts a juicy 4.41% dividend yield.

Foolish takeaway

One of the best ways to supplement your retirement nest egg is to invest in reliable income-generating assets that boast a strong track record of providing investors with stable and increasing shareholder dividends.

If you buy and hold a portfolio of income-generating assets in your Tax-Free Savings Account, your investment returns will be tax free, and you won't have to worry about moving to a higher tax bracket with the additional income.

Fortis stock and Scotiabank stock could be excellent assets to begin building a dividend income portfolio.

CATEGORY

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