



Retirees: 2 Top High-Yield Stocks to Buy Now for Passive Income

Description

Retirees are searching for top [dividend stocks](#) that offer high yields for a portfolio focused on passive income.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is a much different company today than it was 30 years ago when pensioners bought based on the reliable wireline telephone revenues. That segment of the business is disappearing, but BCE stock is still an attractive buy for seekers of reliable passive income.

The modern BCE is a powerful player providing mobile, internet, satellite, and TV services across world-class wireline and wireless networks. At the same time, BCE's media division includes a TV network, specialty channels, radio stations, and interests in pro sports teams. There is also an extensive retail presence across the country.

BCE's position in the market shouldn't be underestimated. Every time a person in Canada streams a movie, sends a text, reads e-mail, listens to music, checks the weather report, calls a friend, watches TV, or surfs the web, the odds are pretty good that a BCE asset is involved somewhere along the line.

BCE continues to adapt to the changes in the market and has the balance sheet strength to make the investments needed to protect its competitive position and ensure its customers have access to the broadband they need across multiple platforms. The expansion of the [5G](#) network is a perfect example.

Despite the transition, BCE remains a top stock for retirees. The business generates strong free cash flow to support the generous dividend. At the time of writing, BCE stock provides a 5.25% dividend yield.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another industry leader that has given investors steady dividend

payouts for decades. The board raised the distribution by 3% for 2022, marking the 27th consecutive year of dividend growth.

The energy infrastructure [sector](#) is starting to find favour again, as the market realizes that oil and natural gas demand are not going to vanish anytime soon. Enbridge moves a quarter of the oil produced in the U.S. and Canada and transports 20% of the natural gas used in the United States. Opposition to new major pipeline projects hinders growth opportunities, but it also makes the infrastructure that is already in place more valuable.

Enbridge is investing in new projects to expand its renewable energy and natural gas businesses. Management is also making strategic acquisitions to drive revenue growth. The 2022 outlook is solid, and Enbridge expects annual distributable cash flow to grow at a rate of 5-7% over the medium term.

The stock appears undervalued right now, especially as global oil and natural gas demand are expected to grow steadily for the next few years. Enbridge is positioned well to capitalize on the market opportunities that should see more Canadian and U.S. oil and liquified natural gas get sent to international buyers.

Investors who buy the stock today can pick up a 6.5% dividend yield.

The bottom line on top high-yield stocks for passive income

BCE and Enbridge are strong businesses that generate steady and growing cash flow to support their large dividends. If you have some cash to put to work in a high-yield portfolio focused on passive income, these stocks deserve to be on your radar.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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