Retirees: 2 Big Dividend Stocks Yielding 5%

Description

Many retirees don't work at all. They care about getting more income now from the savings they have accumulated over the decades of working. If you need more income now, you can explore these two big dividend stocks that offer yields of more than 5%!

Power Corporation

Power Corporation (TSX:POW) is a life and health insurance company. The dividend stock has delivered decent returns compounded at 8.8% in the past five years. In the period, it has also raised dividends by 6.9%.

Last month, pundits had the following views on Power Corp. stock. In fact, the dividend stock was one of David Baskin's top stock picks.

> "It's a great stock. Power Corp. came off its strong rally. It provides a beautiful dividend and trades at a pretty low valuation. Its subsidiaries have been doing well. You can't go wrong with it over time. The problem now is it's not showing growth. There are better names for new capital. If you own it, hold and add at lower levels."
> *Greg Newman, senior wealth advisor and portfolio manager at Scotia Wealth Management*

What are POW's subsidiaries? Power Corp. owns meaningful stakes in **Great-West Life**, **IGM Financial**, **GBL**, and Wealthsimple through its 100% ownership in Power Financial. At writing $38.70 per share at writing, it yields 5.1% and trades at a 17% discount from the 12-month analyst consensus price target.

> "It was dead money for a long time, but insurance is now a better place to be in and the company has been slimmed down. POW always traded at a discount to its net asset value, but that will close with rising rates. It pays over a 5% dividend."
> *David Baskin, president of Baskin Wealth Management*

BCE

It's unbelievable how high **BCE** (TSX:BCE)(NYSE:BCE) Is trading at and still offers a juicy yield of 5.3%. It seems that lately, investors have been in risk-on mode and flew to safety — i.e., stable and quality dividend stocks that offer big dividends.

Here are the recent comments on BCE from the same experts. Greg Newman picked BCE as a past top pick.

> "At the time, we picked BCE as a recovery stock. Eventually, it'd be a beneficiary of 5G. It provides a great dividend that grows. Don't add here. Sell calls. We like it long term."
> *Greg Newman*

> "BCE should be a core holding in a portfolio. It's low growth but pays a great dividend. You're buying stability and income. Shares may rise 2-4% a year plus the dividend. Alternatives don't pay as much and are riskier."
> *David Baskin*

Retiree investors takeaway

For better protection of your capital, buy BCE when the market is in risk-off mode and the stock corrects to more attractive levels — perhaps at the $57 range.

While retirees seek current income, it's still crucial to protect your capital as best you can. After all, some retirees need to sell some of their assets mixed in with investment income to generate the cash flow they need for spending.

Between both big dividend stocks that provide juicy yields of more than 5%, Power Corp. is a better value at this time than BCE.

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