3 Stocks to Keep Your Retirement a Reality

Description

Economists expect Canada's inflation rate for April 2022 to remain at 6.7%. With consumer price inflation surging to a three-decade high, the situation is worrisome for retirees and would-be retirees.

Living through an inflationary period in the sunset years is challenging, especially if you'd rely on your OAS and CPP pensions alone. Even if you have cash stashed away, it will lose its value over time. Because retirement readiness is in doubt, many Canadians might alter plans and move back their retirement dates.

However, if you want to retire on schedule or keep your retirement a reality, the suggestion is not to hold more cash than you need. Allocate the excess for income-producing assets like dividend stocks. Three companies from different sectors are rock-solid picks for future retirees.

Their dividend track records or dividend-growth streaks are proof of the companies' reliability and dependability as passive-income providers. More importantly, they are eligible investments in an RRSP and TFSA.

Big Five bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is an outstanding choice because paying dividends is part of its DNA. This $167.11 billion bank has been sharing a portion of its profits with shareholders since 1857 (165 years). TD has endured and come out stronger after every economic turmoil.

Canada's second-largest lender will soon become the sixth-largest financial institution in the United States. TD hopes to obtain regulatory approval in late November 2022 for the total merger with Memphis, Tennessee-based First Horizon.

The target acquisition is an important regional hub in the U.S. southeast and should help build a stronger franchise across the border. At $92.14 per share, TD pays a 3.87% dividend.

Opportunity-rich portfolio

TC Energy (TSX:TRP)(NYSE:TRP) is equally enticing as TD and suitable as a core holding in a dividend portfolio. Besides the attractive yield (5.03%), the $71.17 billion energy infrastructure company has increased its dividends every year since 2000. This energy stock is up nearly 12% ($72.40 per share) on year-to-date basis.

In Q1 2022, management reported a net income of $358 million compared to the $1.05 billion net loss in Q1 2021. Notably, net cash from operations increased by $41 million year over year to $1.7 billion. TC Energy expects to sanction more than $5 billion worth of new projects annually throughout the decade.

Its president and CEO François Poirier said, “During the first three months of 2022, our diversified and opportunity-rich portfolio of essential energy infrastructure assets continued to deliver strong results and reliably meet North America’s growing demand for energy.”

Dividend growth

Fortis (TSX:FTS)(NYSE:FTS) is a bona fide defensive stock because of its regulated, high-quality utility assets. This $29.9 billion electric and gas company is one year shy of earning Dividend Aristocrat status. Its dividend-growth streak should be 50 years in 2023.

Furthermore, prospective investors can expect growing dividends. Because of its new $20 billion capital plan (2022 to 2026), management plans to increase dividends by 6% annually through 2025. You shouldn’t mind purchasing the stock at $62.67 per share if the 3.35% dividend is safe.

Wealth builders

Canadians can still retire on schedule and have financial stability by owning TD, TC Energy, and Fortis shares. All three are retirement wealth builders.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:FTS (Fortis Inc.)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

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