Retirees: 4 Safe Stocks to Buy for Decent Passive Income

Description

Making retirement savings last is the primary concern of seniors, whether retired or due to retire. While the Old Age Security (OAS) and Canada Pension Plan (CPP) are indexed to inflation, managing the lifetime pensions when the rate is sky high isn't a walkover.

However, offsetting the ripple effect of inflation is possible through dividend investing. Retirees can use their idle cash or excess funds to buy safe dividend stocks to earn decent passive income.

Reliable as ever

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) pays the highest dividend among the Big Five banks. At less than $100 per share, the dividend yield of Canada's third-largest bank is a hefty 4.19%. Based on market analysts' forecast, the current share price of $82.66 could still climb by 12% to $92.88 in one year.

This $99.56 billion lender should have no problems sustaining dividend payments amid market uncertainties. In 49.46 years, the total return is 193,011.71% (16.53% CAGR). Moreover, BNS's dividend track record of 190 years is solid proof of the big bank's reliability as an income provider.

Cash-return strategy

Imperial Oil (TSX:IMO)(NYSE:IMO) pays a modest 2.09% dividend but is a must-own stock for risk-averse investors. Apart from the lengthy dividend track record of over 140 years, this energy stock has increased its dividend five times in the last five years, which translates into an average annual increase of 14.33%. Also, at $65.08 per share, the year-to-date gain is 43.51%.

According to Brad Corson, Imperial's chairman, president, and CEO, returning cash to shareholders remains the company's priority. Its SVP for Finance and Administration Daniel Lyons added that a reliable and growing dividend is the bedrock of Imperial's cash-return strategy.

This $43.54 billion oil & gas company boasts a highly integrated refining system and logistics network. Given the strong market conditions and favourable pricing environment, expect Imperial Oil to keep generating significant cash flows throughout 2022.

Dividend-growth program

Investors should be happy with **TELUS's** (TSX:T)(NYSE:TU) great start in 2022. Canada's second-largest telco reported 148,000 new customers (Mobile and Fixed) in Q1 2022, the highest customer growth in a first quarter. Total consolidated revenue and net income increased 6.4% and 21% versus Q1 2021.

Also, during the quarter, TELUS announced a 7% in quarterly dividend over the prior year. The $43.68 billion company has extended its dividend-growth program that targets 7-10% annual growth from 2023 to 2025. If you invest in this 5G stock today, the share price is $31.75, while the dividend yield is 4.25%.

Defensive asset

Slate Grocery (TSX:SGR.U) deserves a spot in any stock portfolio because of its defensive nature. The $914.91 million real estate investment trust (REIT) owns and operates grocery-anchored real estate in the US. At only $15.05 per share, the dividend offer is a juicy 5.9%.

Management said its portfolio is well positioned to continue providing long-term, stable income. Because of the focus on organic growth and accretive investment opportunities, Slate Grocery creates value for its unitholders.

More cash flows

If the runaway inflation today extends further, many retirees would need more cash flows to cope with rising prices. Canadian retirees are fortunate, because TSX's top sectors have excellent income-producing prospects.

CATEGORY

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2. NYSE:TU (TELUS)
3. NYSEMKT:IMO (Imperial Oil Limited)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:IMO (Imperial Oil Limited)
6. TSX:SGR.U (Slate Retail REIT)
7. TSX:T (TELUS)

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cliew