Retirees: Why Now Is the Best Time to Buy TSX Dividend Stocks

Description

If you are a retiree or just thinking about retirement, now is the perfect time to add reliable **TSX** dividend stocks to your portfolio. Certainly, the stock market is bearish today. There is a lot of bad news out there, and market pessimism is persistent.

Dividend stocks are yielding more today than at the start of the year

Yet if you are looking for reliable passive income for the long term, this short-term decline is an opportunity. At the start of the year, many top dividend stocks soared.

Dividend stocks were starting to look pricey. Likewise, dividend yields (the annual dividend cash you earn on the stock price you pay) were shrinking.

Today, several top-quality dividend stocks have pulled back in price and are yielding above their norm. Here are two top TSX stocks that have resilient businesses and steady, growing streams of dividends.

Brookfield Infrastructure: Safety, growth, and income

Brookfield Infrastructure Partners (TSX:BIP.UN)(NYSE:BIP) has to be one of my favourite Canadian dividend stocks. It provides investors an attractive combination of safety, income, and growth. It is one of the world's largest pure-play diversified infrastructure stocks.

Brookfield Infrastructure operates ports, railroads, pipelines, utilities, cell towers, and data centres all around the world. The portfolio is diverse and well-balanced across its business segments. Given its scale, it can deploy capital anywhere there is value-priced opportunities. Considering the world might enter a recession, Brookfield could potentially acquire some very attractive assets.

In the meantime, the company has a very attractive internal growth profile. It targets 7-9% organic growth every year. Likewise, over 70% of its assets have inflation-indexed contracts. That helps protect and grow its cash flow streams against rising inflationary costs.

This dividend stock has pulled back by around 4% since April. It pays a $0.6925 dividend every quarter. That equals a 3.5% dividend yield right now. It just raised its dividend 6% this year. Brookfield Infrastructure has a history of raising its dividend by the high single-digits every year. The pullback makes this a great long-term addition to any retiree's portfolio.

Algonquin Power: A dividend stock for the long term

If you are worried about a recession, **Algonquin Power and Utilities** (TSX:AQN)(NYSE:AQN) is an attractive dividend-growth stock to buy. It operates a large and diverse portfolio of utilities and renewable power projects across North America.

This dividend stock makes its bread and butter by acquiring underutilized utilities, fixing them up, making them more efficient/renewable, and then increasing their rate base (annual return). It is replicating this strategy with a major $3.5 billion Kentucky utility acquisition. While it may take time, this should generate some accretive cash flow growth in the coming year.

Algonquin has used this strategy to grow its dividend consistently by a high single-digit annual rate. In fact, after its recent earnings, Algonquin announced another 6% dividend increase. Algonquin stock recently declined 7%, and its dividend yield has increased to 5%. Given that is nearly one percentage point above its five-year average, this dividend stock looks like a bargain today.

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2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
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