



Building a Retirement Income Stream Can Be Easy!

Description

Building a retirement income stream is not as hard as it sounds. Often, [new investors](#) struggle to find the right mix between income and growth-focused investments. And even finding income stocks that continue to provide a growing income stream can be frustrating.

Fortunately, it doesn't need to be! Here are some great stocks to consider adding to your portfolio today so they can grow for decades.

A great portfolio needs a solid defense

Just like in sports, a great offensive line needs a solid defense to fall back on. And that's precisely why you should consider **Canadian Utilities** ([TSX:CU](#)) for building a retirement income stream.

Utilities are some of the most defensive stocks on the market. Not only do utilities provide a necessary service, but they also generate a stable and recurring revenue stream. That revenue stream is backed by long-term regulatory contracts often spanning several decades.

This factor alone makes utility stocks like Canadian Utilities excellent long-term picks. But that's not even the best part.

Canadian Utilities has one of the best dividends on the market. The company has been paying out handsome dividends and providing annual upticks to that dividend for 50 consecutive years. Hence, Canadian Utilities is one of very few Dividend Kings in Canada.

The current yield works out to a juicy 4.48%. This means that a \$40,000 investment will earn just shy of \$1,800 in the first year.

Building a retirement income stream requires income and growth

It would be hard to compile a list of stocks for building a retirement income stream and not mention at least one of Canada's Big Banks. These are some of the best long-term investments on the market. They all offer a stable domestic segment, a growing international presence, and a juicy dividend.

But which Big Bank should investors consider? Right now, that would be **Bank of Montreal** ([TSX:BMO](#)) ([NYSE:BMO](#)).

As an income stock, BMO has been paying out dividends longer than any other company in Canada. The current dividend carries a yield of 4.44% and is paid out quarterly. Like Canadian Utilities, BMO has established a precedent of providing investors with a generous annual uptick to that dividend.

When it comes to growth, BMO is focused on expanding into the U.S. market. Late last year, the bank announced a multi-billion-dollar deal to acquire the Bank of the West. Upon completion, the deal will expose BMO to several new U.S. state markets, which will bolster deposits, loans, and its overall branch network size.

Have you considered a railroad?

One of the most surprising investment options to consider is **Canadian National Railway** ([TSX:CNR](#)) ([NYSE:CNI](#)). I say surprising because many investors, particularly newer investors, may not see a railroad as a viable investment in 2022.

Here's the thing: while railroads may appear to be slow-moving lines of freight, they are core to the entire continental economy. Railroads connect storehouses and factories to ports and cities everywhere. In sheer numbers, rail moves nearly one-third of all freight on the continent.

Let that volume sink in for a second.

In the case of Canadian National, that works out to transporting a whopping \$250 billion worth of goods each year. Those goods could be anything from automotive components and chemicals to crude oil, wheat, and raw materials.

Adding to the appeal, prospective investors should note two key points.

First, Canadian National is the only railroad on the continent that has access to three coastlines. This is a significant advantage over its peers.

Second, rail networks are mature and costly. Entire communities have emerged around these established networks. This elevates the costs of any would-be competitor immensely, making Canadian National's defensive moat one of the best on the market.

Finally, let's talk income. Canadian National pays out a quarterly dividend yield of 1.96%. While this may seem lower than other income stocks, the payout is consistent and growing.

Final thoughts

No investment is without risk. Fortunately, these three stocks are great defensive investments to start building a retirement income stream.

Buy them, hold them, and watch your portfolio grow.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:CU (Canadian Utilities Limited)

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