Retirees: These Dividend Stocks Come With Recession Protection

Description

Retirees may be suffering right now, watching all their hard work over the years go down the drain when it comes to creating savings. While it's likely you still have plenty of cash on hand if you've been saving a while, it can be very hard to consider taking out anything. Even if you need the cash imminently.

That's why dividend stocks are a necessary part of many a retiree's portfolio. They provide you with passive income no matter what the market is doing. That is, if you choose the *right* dividend stock.

If you choose the *wrong* one, a dividend may be suddenly cut. So today, I'm going to go over two safe dividend stocks for retirees to consider long term, creating passive income that's here to stay.

BMO stock

A great option during a downturn is to buy up a Big Six Bank. Amongst the Big Six Banks, today I would consider **Bank of Montreal** (TSX:BMO). BMO stock has a long history of growth. In fact, it's been around for about 200 years! So, that's certainly some solid proof this company isn't going anywhere.

But while history is nice, the future is what you should care about. In that case, BMO stock is still a winner. The bank has been expanding in the United States, in particular through its purchase of Bank of the West across the west coast of the country. This geographical growth provides new revenue streams that investors can look forward to.

Now for the passive income you receive from these banking dividend stocks. Their dividend yields are all fairly high, but BMO stock is one of the highest with a yield at 4.26% as of writing. Furthermore, you have some solid fundamentals to latch onto. The stock currently trades at 6.5 times earnings, and 1.3 times book value.

Therefore, with shares trading at about $129 as of writing, an investment in BMO stock today of $10,000 would bring in annual passive income of $443, as an example.

NorthWest REIT

Real estate investment trusts (REITs) are a great way to lock in dividend stocks for passive income. However, there have been some problems over the last few years. Whether it's the housing sector or the pandemic moving in on growth, it's a hard industry to figure out.

That is, unless you look at essential services, such as healthcare. And that's exactly what you get with **NorthWest Healthcare Properties REIT** (TSX:NWH.UN). NorthWest stock is a solid choice for diversification, both within the healthcare sector, but also globally.

In fact, this diversification comes from acquisition after acquisition for NorthWest stock. It's why the company *hasn't* grown its dividend. However, given that dividend is at 8.07%, I would not be too concerned. Retirees would be happy for that growth to continue for the next few years, knowing that dividend isn't going anywhere.

And again, it's a solid deal trading at 8.3 times earnings, and 0.97 times book value. Furthermore, it would take just 93.6% of its equity to cover all its debts! All tallied, at just $10 per share, a $10,000 investment would deliver annual income of $800.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BMO (Bank Of Montreal)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. cleona

Category

1. Dividend Stocks
2. Investing

Date
2025/07/21
Date Created
2022/12/07
Author
alegatewolfe