



2 Best Dividend Stocks for Retirement

Description

If you want to live a worry-free life after retirement, you should start careful financial planning at an early age. One smart investment strategy to achieve your retirement financial goals could be putting money into some [fundamentally](#) strong [Canadian dividend stocks](#).

In this article, I'll talk about three of the best dividend stocks in Canada you can buy for [retirement planning](#).

My first Canadian dividend stock pick for retirement

When you're investing in stocks primarily to generate reliable passive income and see your money grow safely by the time you retire, you may want to stick to safe, large-cap dividend stocks with proven track records of delivering consistent financial growth. Considering that, **Enbridge** ([TSX:ENB](#)) could be a great dividend stock in Canada to add to your retirement portfolio.

The shares of this Calgary-headquartered energy transportation giant currently trade with about 10% year-to-date gains at \$53.97 per share. ENB has a [market cap](#) of \$108.5 billion and a solid annual dividend yield of 6.6%.

The underlying strength in Enbridge's business model could be understood by the fact that it has consistently been increasing dividends for 27 years. Interestingly, the company has raised its dividend by about 58% in five years between 2016 and 2021, showcasing its commitment to continue delivering solid returns to investors irrespective of market conditions.

While its traditional energy transportation business continues to perform well, Enbridge is also trying to boost its future growth prospects and diversify its revenue streams by investing heavily in renewable energy generation and oil export segments. These positive factors potentially make it an ideal Canadian dividend stock to hold in your retirement portfolio for the long term.

And a bank stock with dividends for your retirement portfolio

Bank of Nova Scotia ([TSX:BNS](#)) could also be a great addition to your retirement stock portfolio, especially if you're looking to grow your savings without taking big risks in the market. This reliable bank stock currently has a market cap of \$81.8 billion as it trades at \$67.64 per share after losing 24.5% of its value on a year-to-date basis. At this market price, BNS offers an attractive annual dividend yield of around 6.1%.

In the October quarter, Scotiabank [registered](#) a 1.9% decline in its adjusted earnings to \$2.06 per share after posting positive earnings growth in the previous seven quarters in a row. Its recent earnings decline was primarily due to challenging market conditions, which affected the performance of the bank's capital markets and global wealth management segments. This quarterly earnings drop could mainly be responsible for driving BNS stock downward lately, besides the macroeconomic uncertainties. However, I expect a sharp recovery in these two segments as recent signs of easing inflation in the U.S. have already started boosting global investors' confidence.

Moreover, Scotiabank's continued focus on technology modernization with increasing investments could help it improve its financial growth trends further in the coming years. These are some of the key reasons why I expect it to be an attractive stock for investors who want to see their money grow for retirement planning and generate reliable passive income for decades.

CATEGORY

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Date

2025/09/03

Date Created

2022/12/14

Author

jparashar

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