TFSA Investors: The 3 Best Dividend Stocks for Retirement

Description

Whether you are getting close to your retirement years or are still decades away from your golden years, proper financial planning to ensure a comfortable (if not affluent) retirement is a smart thing to do.

One aspect of this retirement planning is generating a relatively steady income to augment your pension, and relying on stable dividend stocks instead of routinely liquidating your assets can be a more predictable choice.

And three dividend stocks might be perfect for this role.

A telecom giant

Telus (TSX:T), one of the three telecom giants in Canada, enjoys the same stability benefit as the other two, thanks to a lack of competition. And even though it's not the top 5G company in the country, Telus might be a better 5G and dividend stock for retirement for multiple reasons.

The first is that it's an established Dividend Aristocrat growing its payouts for 18 consecutive years. The trailing 12-month yield also hasn't fallen below 3.6% in the last decade, and the payout ratio typically remains in the safe territory.

But not only are Telus's dividends solid, but it's also the most consistently growing stock of the three. Or at least it has been for the last decade or so. Its growth potential can guarantee that your capital is also growing at a decent pace. So, even if you *do* have to resort to liquidating your positions, you will be better off than you would be with a dividend stock constantly slumping down.

An energy giant

There are plenty of energy stocks that offer great dividends, but **Enbridge** (TSX:ENB) stands out for several reasons. The first is its position, as the largest energy company in the country and one of the largest in North America. It operates one of the most extensive energy pipeline operations.

These midstream operations make it relatively safer compared to upstream companies that may see their value fluctuate with oil prices.

Another reason to consider Enbridge as a dividend stock that you can count on in your retirement years is the dividend history. The company has a stellar dividend history and has grown dividends for 28 consecutive years. And the growth has been quite substantial, and the CAGR over 28 years is 10%. The yield is typically quite attractive and is currently 6.6%.

A REIT

Even though real estate investment trusts (REITs) are known for their dividends, few keep growing their dividends consistently enough to be counted among aristocrats. **Allied Properties** (TSX:AP.UN) is one of them, and even though it's typically a growth stock with a relatively modest yield, it's so discounted right now that the yield has shot up to 6.8%, which is higher than Enbridge.

This makes it an attractive and amazing dividend stock for retirement you can buy right now (or when the yield is similarly attractive) because once the market stabilizes, it may add great value to your portfolio just by recovering to its former peak (2019).

This would mean a doubling up of the capital you have invested in the REIT. And as an aristocrat, you can reasonably count on it to maintain and even improve its payouts in the future.

Foolish takeaway

With blue-chip stocks like Enbridge and Telus and a strong mid-cap like Allied Properties, you can create a strong and relatively reliable retirement portfolio. But since no stock is 100% safe, you should consider diversifying and adding another safety layer to your portfolio.

CATEGORY

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TICKERS GLOBAL

1. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
2. TSX:ENB (Enbridge Inc.)
3. TSX:T (TELUS)

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