

The RRSP Deadline Is Tomorrow! Give Your Retirement a Jolt With These 3 Dividend Stocks

Description

There are many reasons to invest using your RRSP. Do your research, and I'm sure you'll find it's the [right choice](#) as a "host" for your retirement fund. If you've already decided that you're going to contribute to your RRSP this year and you've been putting it off, it's time to take action, because the RRSP contribution deadline is tomorrow (March 1).

There has been much noise in the markets this year, but that shouldn't scare you away from contributing to your RRSP as you build your nest egg. Rising rates and soaring inflation is scary, but stocks are still the way to go! And if you're worried about how things will pan out, don't be. In an RRSP, you're going to be forced to think long term, as you should with your investments.

Even if you're a millennial and retirement is a distant concept for you, you should probably still contribute if your unique financial situation allows for it. It's never too early to be thinking about retirement, and if you're planning on buying your own home one day, in addition to funding your retirement, contributing to an RRSP is really one of the smartest decisions that you could make today.

There are plenty of opportunities that exist today, so if you're not sure where to start, here are three ideas on different levels of the [dividend ladder](#) (an intriguing concept coined by fellow Fool contributor Will Ashworth):

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#))

CIBC has a generous ~4.5% yield and currently trades at a modest 10.92 times trailing earnings. The bank has been labelled as "that other bank" in the Big Five and is often passed on by investors, because of its mortgage growth profile and its lack of geographic diversification relative to its peers.

Management knows its shortcomings, which is why the company acquired PrivateBancorp and is putting its foot on the gas on its newfound U.S. foundation. I think the stock is underappreciated and is a great pick for your RRSP.

National Bank of Canada ([TSX:NA](#))

National Bank of Canada is the sixth-largest Canadian bank and is not a part of the Big Five; thus, it receives very little attention from many investors. When it comes to Canada's big banks, it should really be the Big Six, because National Bank of Canada is a superb business that deserves to be included with the best in class.

The stock has a ~3.8% yield and trades at 11.84 times trailing earnings. Although not as cheap as CIBC, it's still a very compelling choice for bank investors looking for the best bang for their buck.

Canadian Tire Corporation Limited ([TSX:CTC.A](#))

Canadian Tire typically has a ~1.5% dividend yield, but after a really generous raise, the stock now has a ~2.1% yield. Although not a typical income stock, Canadian Tire is a dividend-growth hero that will line the pockets of its investors with cash over the years with its incredibly generous dividend raises that it's able to maintain thanks to its continued above-average earnings growth.

Management is solid, and as a result, Canadian Tire is a retailer which truly stands out in an industry that's in turmoil. I think it's the best retailer in Canada, period. And for 16.3 times trailing earnings, you're not paying up for next-level dividend growth. In fact, you're getting quite the bargain for the Canadian icon!

Bottom line

These RRSP stocks are a great way to build a nest egg over the long haul. For the best effects, reinvest those dividends! Whether you opt for the ~4%, ~3% or ~2% yielder, you'll get generous dividend raises over the years that you can put to work.

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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:NA (National Bank of Canada)

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