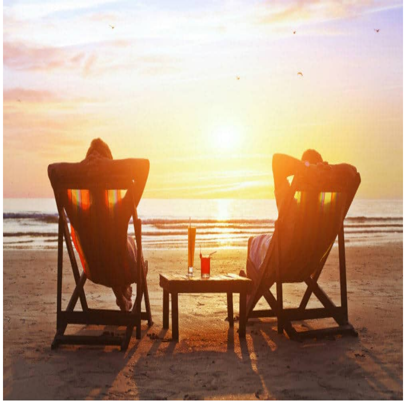

3 Proven Ways to Boost Retirement Income

Description

There's a bitter irony associated with retirement; although those years are referred to as*"golden,"* many look forward to them with anxiety and despair–and with good reason.

Studies show that just 65% of Canadians are saving for retirement, while only 10% have a formal plan to get there. Worse, according to a 2018 CIBC Retirement Planning poll, the average Canadian had saved $184,000 toward their retirement (compared to a benchmark of $756,000!).

And if you think that sounds bad, consider this: the above figures don't even take inflation into account, which has been on the rise in recent years.

It's clear that many Canadians are struggling to save for retirement. The good news is, with a little patience and discipline, it's possible to put aside a tidy nest egg for yourself–even if you aren't making a whole lot of money. In fact, the adjustments you need to make aren't even that major. With a little legwork, planning, and strategy, you might be surprised how much income you can generate for your retirement.

We can start with a strategy so simple it's easy to overlook.

Work longer

I know, I know. The whole point of retirement is to relax and enjoy time with your friends and family. Wouldn't prolonging your working years defeat the purpose?

But according to a study from the U.S.-based National Bureau of Economic Research, working longer is one of the best ways to boost your retirement dough. And many people are opting to do just that.

In particular, many older Canadians elect to work a part-time job after "retiring" from their main job, so they draw a pension while *still* earning money they can put into their RRSP. This option is especially effective for government workers, who often have the option of retiring early with generous pensions.

Max out that RRSP

As you probably know, an RRSP is a retirement fund that you can put investments into. If you wait until age 71 to withdraw your RRSP funds through a RRIF, the income will be taxed at a low rate *(after years of having accumulated dividends and capital gains tax-free).*

Most people are aware that dividends and capital gains in RRSP accounts are not taxed. What many are not aware of is the fact that RRSP contributions are tax deductible. That is to say, when you put money into an RRSP (up to a certain limit), you can claim it as a deduction, like a business expense. This provides a second incentive to put as much money into your RRSP as possible.

Fill out your RRSP with stocks that offer both dividends and growth

Once you've committed to contributing to your RRSP, the question is what you'll invest in. Because income is the number concern for retirees, it's good to invest in dividend stocks, as these pay cash income on a set schedule.

As retirees are disproportionately affected by inflation, it's good to invest in stocks with strong dividend growth–along with revenue growth to keep the dividend increases going.

One such stock is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). With 12.7% year-over-year earnings growth, a 3.4% dividend yield, and dividend increases in seven out of the past 10 quarters, it's a sure bet for any Canadian's retirement account.

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