



A Top Dividend Stock to Earn Growing Retirement Income

Description

It's getting extremely difficult for today's working class to spare enough [savings for their retirement](#). Employers are increasingly looking for contract and part-time workforce to fill jobs, while a large number of professionals don't see any value in the nine-to-five work life.

In this changing economy and work culture, it's extremely important for individuals to prepare for their golden years and create an investment portfolio that could generate enough income. If you're just getting started on this journey, then I have a few suggestions to consider.

First, start early on your retirement plan. Starting soon will allow you to take a little aggressive approach while picking your investments. For example, you will be in a comfortable position to buy some high-growth stocks, which are more riskier than many stable companies, but with a huge upside potential.

Second, you should consider to buy some top dividend stocks that may look boring to you, but they are solid businesses that generate huge cash flows. These kind of stocks slowly build your wealth as their payout increases over time. Today, we're going to discuss one such dividend stock to give you an idea of how you can create a steadily growing income stream for your retirement.

Royal Bank of Canada

[Royal Bank of Canada](#) is ([TSX:RY](#))([NYSE:RY](#)) is the nation's largest lender, and is a perfect example for investors looking to build their income portfolio. RBC has a great business at home and an expanding presence in the U.S. This combination has helped the lender produce income that grows each year.

In the fourth-quarter earnings report that was released yesterday, RBC posted a record profit, helped by the highest domestic net interest margin in five years. Overall net income for the quarter rose 15% to \$3.25 billion, or \$2.20 a share.

That growth momentum shows that the lender is in a great position to continue with its dividend growth and reward its long-term investors.

RBC has paid dividends to shareholders every year since 1870, surviving recessions, economic cycles, and financial crises like the one we saw in 2008.

Trading at \$98.10 and with an annual dividend yield of 4.11%, RBC should be on your radar screen when you're investing for your retirement.

Bottom line

Top dividend stocks, such as RBC, offer a great avenue to investors to build stable income stream. These dividend stocks are unlikely to provide massive capital gains in the short-run, but if you have the time on your side and patience to remain invested, you will be able to multiply your savings many fold by the time you're ready to retire.

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