Do These 3 Things in Your 30s to Retire Rich

Description

It's the dream. Even in our twenties, we think about how one day we won't have to work anymore. We'll have made enough and saved enough to retire — and retire well. We'll have that cottage on the lake, that fancy car, and enough cash to keep us happy for another 60 years.

For most of us, that's just a dream — but it doesn't have to be.

By making the right decisions at the right time, investors can set themselves up to retire rich. By your thirties, Canadians are likely making the most they ever have, and are well positioned in a career that will set them up for life. If so, that's the ideal time to take a hard look at your finances and see where you can put money away.

Step 1: portfolio checkup

Let's start with the basics. Do you even *have* a portfolio? Even if you do, your thirties is the perfect opportunity to give your finances a check-up. After years of paying off student debt, buying a house, potentially getting married and having children, the bills start to add up. But now, things are hopefully settling down, so take a look at how much money you can afford to put away each month toward your retirement. Be realistic!

Once you have those numbers, create a portfolio that matches your goal of retirement. A Registered Retirement Savings Plan (RRSP) is of course a great option, but to be honest, I would go with the Tax-Free Savings Account (TFSA), as you don't have to worry about taxes for any gains you're making.

Now start stocking up on stocks that provide a steady, defensive income stream that will almost always perform even when the markets slump. A great option is **Royal Bank of Canada** (TSX:RY)(NYSE:RY), one of Canada's largest banks that has been expanding into the United States and wealth and commercial management segments, offering investors security along with growth.

Step 2: future costs

While there are definitely a lot of costs now out of the way, there are some large ones coming up before you know it. One of the largest? University.

If you have children, rather than use those retirement funds for yourself, you might ultimately take on student debt yourself and use the funds you've saved to pay off those debts. In short: don't!

Instead, create a separate portfolio that's a touch more aggressive that you can use for your children's university or college fund — and I do mean a *touch*. Investing in a solid stock such as **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) is a great option, especially right now, as the stock is completely undervalued with a growth portfolio and long-term contracts to set investors up with cash for decades. This keeps your college fund growing and your retirement savings safe.

Step 3: Dividends for now — and for later

You might have noticed already, but both of these stocks I've mentioned offer a fairly generous dividend, as a retirement portfolio is the perfect place to create a passive-income stream that will set you up for the future.

I mean this in two ways. Right now, those dividends can be reinvested to give you even more shares, and in turn even more dividends. When you do retire, those dividends become like an additional income that you can choose to reinvest or use for whatever purposes you desire.

A great option to buy now for the future is **WPT Industrial REIT** (TSX:WIR.U). As a real estate investment trust (REIT), this stock must pay out 90% of its taxable income to shareholders, but it's the industry that has investors happy to buy up stock.

The company owns light industrial properties across the United States, where e-commerce companies are snatching up contracts for storage. WPT is currently buying even more properties, so investors should look forward to years of increasing revenues and dividends.

Foolish takeaway

Anything can happen in the years before retirement, and your goals can vary widely from that of another investor. However, making these choices in your thirties is setting you up with the best chance of protecting your retirement — and retiring rich.

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Date
2025/09/09
Date Created
2019/07/11
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