
# This Is How Much Canadians Think They Need to Retire

## Description

If you're planning for retirement, it pays to have a specific savings goal. While most retirees receive pension benefits like CPP and OAS, most of the time, they aren't enough to cover a single adult's expenses. Unless you have an (increasingly rare) employer-sponsored pension, you'll need to have some savings.



Which raises the question: *how much?*

Everybody knows that they should ideally be saving money, but not everyone knows how much they need. Individuals' lifestyle goals vary and are impacted by factors like life expectancy, debt, and inflation. With that said, there is a fairly broad consensus among Canadians nearing retirement age as to how much is needed for a comfortable retirement. This amount isn't necessarily enough for everyone, and for those with employer pensions, it may be more than necessary. However, it's a solid goal for most Canadians to aspire to.

## $756,000

According to a 2018 **CIBC** poll, the average Canadian believes they need $756,000 to retire comfortably. This figure comes from a poll of working Canadians who expected to be retiring in the near future. The experts seem to agree, with most financial planners citing figures between $650,000 and $800,000.

## What it would take to get there

To reach $756,000 just by saving, you'd need to stash away quite a lot of money for quite a long time. Specifically, if you started with nothing, you'd need to put away $20,000 a year for just under four decades. If you're already nearing retirement age, you probably have some base of savings to build off of. However, the fact remains that getting to $756,000 just by stashing away cash is quite an undertaking.

This is where dividend stocks like **Fortis** (TSX:FTS)(NYSE:FTS) come into the picture. Blue-chip, dividend-paying stocks are among the safest investments on the stock market, yet they provide upside you'll never get from bonds or GICs.

Most Canadian retirement investors own Fortis shares, either directly in their RRSPs or indirectly through mutual funds and ETFs. As a regulated utility, Fortis enjoys a super-safe and highly protected revenue stream. It is protected by enormous barriers to entry and the indispensable nature of its services (heat and light). This means you can count on Fortis to keep growing its revenue over time.

With that revenue growth comes dividend increases: over the past 45 years, Fortis has increased its dividend every single year. Fortis shares currently provide a yield of about 3.27%; on every $100,000 you invest, you'll get $3,270 in annual income, and that's expected to grow over time. By reinvesting your dividends in new shares, you can amplify your returns and get higher dividend payouts in the future, which makes Fortis a solid way to gradually increase your retirement savings.

## Foolish takeaway

There are many ways to work up to a comfortable retirement. CPP, OAS, and employer pensions are all valuable assets that can help you get to your goal. However, for most Canadians, having some amount of savings is indispensable. As you've seen in this article, investing in dividend stocks is a great way to ramp up your savings growth without taking on too much risk. But as always, make sure to research your own investments and pick ones you're comfortable with.



**CATEGORY**

1. Dividend Stocks
2. Investing

**POST TAG**

1. Editor's Choice

**TICKERS GLOBAL**

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

**PARTNER-FEEDS**

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing

**Tags**

1. Editor's Choice

**Date**
2025/09/18
**Date Created**
2019/09/02
**Author**
andrewbutton