



Worried About Not Having Enough Money During Retirement? Why Investing in TD Bank (TSX:TD) Can Help!

Description

One of the biggest challenges when it comes to retirement is knowing how much you'll need to be able to enjoy a good quality of life. Even if you've got [\\$1,000,000](#) saved up and look to be in good shape, if you withdraw too much or live longer than expected, then you could still end up in being in a difficult situation with not enough to maintain the same standard of living.

It can create a lot of uncertainty during retirement and pose a big problem in trying to plan for it. However, one way that investors can mitigate this risk is by investing in dividend stocks. What makes them great investments is that as long as the stocks are still paying dividends, you'll be receiving a recurring stream of cash flow for your portfolio.

For example, investing in **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) would allow you to earn around 4% per year in dividends, with payouts being made on a quarterly basis. Investing \$1,000,000 in the stock could generate about \$40,000 a year in dividends, or \$10,000 with every quarterly payment.

TD has a strong history for not only paying, but also increasing its dividend payments, which isn't likely to change anytime soon. And so it won't matter how long you plan to live, as long as TD keeps paying dividends you'll still see cash coming in.

TD is also one of the safest stocks to invest in on the TSX, ensuring that you won't be putting your money at significant risk for the sake of dividend income.

Strong profit margins and growing revenues make TD a solid buy regardless of its share price. Over the long term it'll still be a good buy, as it'll likely continue rising in value.

However, if you're investing purely for the dividend income, then capital appreciation won't play a role unless you decide to sell shares and invest in a different type of investment later. Otherwise, you can just keep the funds invested for the rest of your life.

Not only can investing in TD help generate lots of cash flow for you once you've got money saved up, but it can also help [grow your savings](#) so that you're in a good position by retirement.

Bottom line

There's a lot of uncertainty when it comes to pensions and how much you can get during your retirement years, but having a stock like TD involved in your retirement plan can help alleviate some of those concerns.

Diversifying the income you earn during retirement is a great way to not only help maximize the income you'll earn, but also to ensure that you don't have to worry about being able to accurately predict how long you'll live and how much you'll need to have saved up by then.

TD stock could be a great option for investors who have just started saving for retirement as well as for retirees that need a stock to invest their savings in.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

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