



## Retirees: How to Boost Your Passive Income and Enjoy Greater Financial Freedom!

### Description

Increasing your passive income in retirement could be a simpler process than it appears at first glance.

Dividend stocks, for example, appear to offer a compelling investment opportunity relative to other mainstream assets. As such, focusing your capital on businesses that pay rising dividends and offer international diversity may prove to be a highly profitable move.

In addition, concentrating on global growth trends in areas such as healthcare and consumer goods may provide a tailwind for your investments. This could lead to a higher rate of [dividend growth](#) over the long run.

### Dividend stocks

Retirees that are seeking to generate a generous passive income from their capital could benefit from a focus on dividend stocks. At the present time, other mainstream assets such as cash and bonds offer disappointing returns. In fact, in many cases they may struggle to offer a positive real-terms return. Similarly, direct property investing could be a risky move. It lacks diversity and the returns on offer may not be worth the time and effort required from an investor.

By contrast, the risk/reward opportunity provided by dividend stocks appears to be highly attractive. Following the recent uncertainty surrounding the global economic growth outlook, an increasing number of dividend stocks offer higher income returns, as well as lower valuations. This could make their return prospects even more appealing for retirees.

### Growth opportunities

In order to mitigate some of the risk involved in focusing your capital on dividend stocks, it could be a good idea to consider companies with international exposure. They could limit the potential impact of localised political and economic risks that may be ahead over the coming months. The end result could

be a more robust passive income.

In addition, focusing on international businesses could allow an investor to capitalise more easily and effectively on global growth trends. For example, healthcare demand is expected to rise due to factors such as a growing and ageing population, while growing demand for consumer goods across emerging economies could lead to opportunities for a range of businesses operating in a variety of sectors.

Taking advantage of such trends through international stocks could boost your dividend growth prospects. With it being easier than ever to access a broad range of economies through the purchase of domestically-listed stocks that operate internationally, building a diverse portfolio of income stocks may be a relatively simple process that produces a highly favourable risk/reward opportunity.

## Relative appeal

With increasing rewards comes additional risk. However, the difference in potential rewards from dividend stocks and other mainstream assets seems to be worth their added risk. That's especially the case since investing in a diverse range of international stocks in a variety of sectors can reduce risk to a large degree.

As such, retirees seeking a higher passive income and greater financial freedom may wish to focus a larger proportion of their capital on income stocks. The recent pullback in global stock markets could make today the right time to begin that process.

### CATEGORY

1. Dividend Stocks
2. Investing

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### Author

peterstephens

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