



32% of Canadians Are NOT Properly Planning for Retirement: Are You?

Description

BNN Bloomberg wrote an article in 2018 that cited a **CIBC** poll, whereby 53% of Canadians polled indicated they don't know if they're saving enough for retirement. Even worse, 32% of those polled between 45-64 have nothing saved for retirement.

Canadians estimate that they need \$756,000 to retire comfortably, a troubling number in itself excluding the fact that the average Canadian has just \$184,000 tucked away for retirement. The study also indicated that fewer women than men have a formal retirement plan at 22% compared to 32%

This number get worse, with 43% of women over 55 (nearing retirement) saying they don't have a formal plan at all. To ensure that you have all the boxes checked off for retirement, I've compiled six recommendations for building wealth coupled with an income fund recommendation poised to deliver significant returns.

The checklist

According to CIBC, there are six things that you can do right now to ensure the transition into retirement will be as smooth as possible.

Plan your lifestyle and make the future as predictable as possible. This doesn't mean that you need to eliminate the occasional meal out, but it does mean that frequent trips to restaurants and that morning coffee run can be reduced to a couple of times a week. After all, \$2 saved for three days a week over the course of one-year results in \$312 in your pocket!

Determine what you spend today and estimate what spending will be like in retirement. It's important to maintain a high quality of life while also living below your means. This can be accomplished by eliminating spending that isn't necessary (such as the latest technology) and dedicating additional income to investments.

Work with a financial advisor to project your income and expenses. You shouldn't go about retirement planning alone. With a financial advisor, you'll be able to plan out what it is you want to have when you

retire and set up a plan to accomplish it.

Put your savings plan on auto-pilot with regular deposits to a dedicated savings account. Whenever I get my pay, I immediately transfer a predetermined amount to another bank account so I'm not tempted to spend it.

You may want to consider opening an account with another bank to resist the temptation of accumulated cash in your day-to-day account.

Invest for the long term and revisit your investment plan regularly, at least once a year. Luckily for you, the Motley Fool focuses on long-term investments, which means it's a great resource for those of you looking to save for retirement! Be sure to check out our other articles.

Determine the best time to draw down on public pension benefits or personal savings. In Canada, once you reach withdrawal age, you can transfer your RRSP funds to a RRIF which offers tax benefits. Be sure to do some research to see the best option for you!

Invest in a passive income stock with capital gains

When it comes to finding good stocks to invest in, the best kinds are those that provide a [healthy dividend payout coupled with capital gains](#).

One company that fits the bill is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)), which focuses on acquiring [infrastructure assets](#) with low maintenance costs and high barriers to entry. The company has a global presence with over \$508 billion in assets under management.

With a share price that has increased 33% to date and a dividend yield of 2.95%, investors cannot go wrong by investing in Brookfield.

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Author

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