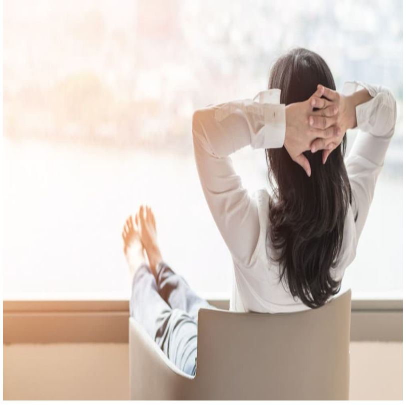

You Have a 0% Chance of Retiring Rich if You Make This Massive Mistake

Description

The amount needed for retirement remains an unsettled point of discussion, although the minimum figure is often said to be $1 million. But be forewarned if you're underestimating or guessing how much you need to save. You'll blow your chances of retiring rich if you commit this massive mistake.

No guessing game

The golden years are uncharted territories for would-be retirees. You'll never get to find out if your planning was successful until you get there. Thus, you must leave nothing to chance.

Retirement planning begins by saving regularly. By not setting aside money, you can't move to the next stage, which is investing. You need seed money to purchase income-producing assets such as stocks. This is the usual route if you intend to retire rich.

The third and crucial step is to select the investment vehicles to grow your retirement savings. **Royal Bank of Canada** (TSX:RY)(NYSE:RY) and **Pembina** (TSX:PPL)(NYSE:PBA) are my suggested stocks. Both are formidable companies capable of paying dividends for as long as you need income.

Formidable bank

RBC is a hands-down choice because it's the largest banking institution in Canada. Besides its size, this Toronto-based bank has been paying dividends for nearly 150 years. An investor who bought $10,000 worth of RBC shares in 1999 is reaping enormous gains today. Total return from the bank stock is a staggering 1,338.33%.

The present dividend of 3.95% can produce a monthly income of $329.17 on a $100,000 investment. Assuming your next egg is half-a-million already, your monthly passive income would be $1,645.83, which is substantial in your later years.

As you approach retirement, you need to protect your retirement savings. RBC is also a defensive stock

. Throughout the 2008 financial crisis, dividend payouts remained constant at $0.50 per share. Likewise, beginning at the turn of the century, there was steady growth in the common shares.

In the U.S., RBC is the preferred bank of corporate, institutional, and high-net-worth clients, which is a confirmation of its financial stability.

Sure-fire growth

A great partner to RBC is energy giant Pembina. This $23.7 oil and gas mid-stream company can improve your financial situation before you step into retirement. Purchasing the stock today is timely as Pembina hopes to increase the dividend by another 5% in Q1 2020. The present yield is 5.18%.

The plan came after the agreement to acquire the U.S. portion of the Cochin Pipeline from **Kinder Morgan USA** and **Kinder Morgan Canada** was firmed up. The pair of acquisitions cost Pembina $4.35 billion. However, it enhances the company's diversified assets, which would translate into significant earnings growth.

Apart from the new assets, there are a host of expansion projects and a backlog in pipelines and facilities amounting to $3.2 billion. All the pending projects are growth drivers in the years ahead.

Analysts foresee Pembina's current price of $43.71 to increase by 28% to $60 in the next 12 months. When you factor in the dividend, the energy firm can deliver market-beating returns.

Retire rich

Retirement planning is a serious undertaking, especially if you wish to retire rich. It requires honest-to-goodness preparation and great investment choices. RBC and Pembina are the reputed partners of wealthy retirees.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:RY (Royal Bank of Canada)

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