



Want to Retire Faster? 3 Simple Steps to Speed Up Your Savings

Description

An early and comfortable retirement is a dream that everybody wants to achieve. I am sure you think about it as well. Many people put aside a certain percentage of their earnings to retire in comfort. The thing is, saving up a decent amount of money before retirement is not as simple as putting cash in a savings account.

Letting your money sit idle in an account is almost the same as just hoarding cash under your mattress. If you want to retire early, there are some steps you can take that can help you to reach that ideal figure.

Let's review the three simple things you need to do to create a substantial retirement fund for yourself.

Figure out the amount you will need

The first and most crucial step to getting started with building up a retirement fund is to figure out exactly how much money you will need.

Your [retirement](#) years should be as comfortable as possible. Take note of whatever you're spending today so that you can come up with an estimate for your retirement expenses.

Knowing the average amount you spend each money is essential. Add to that the life expectancy of around 80 years, and you can get an estimate of how much you should own by the time you retire to see you through retirement.

You need to have a round figure for an amount that is suitable for early retirement, based on the lifestyle you want to have.

Once you have the amount, your goal should be to build up a lot more wealth than the amount you have decided. The more, the merrier, right?

Decide a percentage of savings

Determine a savings amount to lead a great lifestyle in your retirement years. As you keep working, the amount you earn will keep on growing. Instead of thinking about a fixed amount that you can set aside every month, think of a percentage of income you can comfortably take out.

As your income grows, so will the amount you save every month. That can help you to bolster your retirement funds much faster.

Make your money work for you

Once you start building up your savings, you should invest in stocks that can boost your overall wealth. By investing in stocks, your savings will start to earn money for you.

The best way to do this is to invest in [high-yield stocks](#) like **Chemtrade Logistics Income Fund (TSX:CHE.UN)** and holding the shares in your tax-free savings account.

Chemtrade is a dividend-paying company that offers shareholders extra cash from the profits it earns at a yield of 10.54% monthly. If you invest \$10,000 to buy stocks from Chemtrade, you stand to add \$1,054 to your TFSA through dividend payouts every month.

More than \$1,000 a month in your savings account, as well as capital gains from the stock's growth, can amount to a vast amount of wealth in a short amount of time.

Foolish takeaway

If you do the math, the numbers can check out. Determine the amount you should ideally save, decide a percentage of your income to put aside based on that, and then invest the savings in a high-yield dividend-paying stock like Chemtrade.

While implementing all these steps is easier said than done, this is perhaps the easiest way to accumulate a substantial retirement fund to live like royalty in your best years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)

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