



Ready to Retire? If You Can't Answer These 3 Questions, You Aren't

Description

Many considerations come into play when you're planning for retirement. You might be feeling confident at the moment. However, the measure of actual readiness is if you have the answers to three specific questions.

What will your expenses be?

Knowing how much money you will spend in retirement is the most critical element when planning for the sunset years. Retirees in Canada have spending differences with the working population. Spending will significantly decline when you're out of the mainstream.

Food, clothing, and shelter, however, are still your recurring expenses. But as you move to the later years, you have to factor in medical expenses. You might even have to relocate to a smaller house to save on maintenance costs.

You have to carefully assess your expenses, as it is the thing that matters most during retirement planning.

How will you cope with inflation?

Retirees are not exempt from inflation. You buy the same necessities as non-retirees. As the cost of living expenses increase, you need a financial cushion to cope with rising inflation.

You're lucky if you have investments in **Enbridge**. This top-notch energy stock is a partner to many retirees. It pays a high dividend of 5.9%, which is the perfect insulation against inflation. A recession shouldn't worry you as much, as Enbridge is also recession resistant.

Other retirees who invested in Enbridge in their early 20s or 30s were able to [retire earlier than 65](#). This \$100.6 billion oil and gas midstream company is a dream investment. The oil pipeline operation is a profitable and enduring business. Enbridge has been consistently generating revenue for 70 years

now.

You have to include high-quality dividend stocks like Enbridge in your long-term retirement planning. If you own the stock, hold on to it as long as you can.

Where is your source of regular income?

During your retirement, whatever passive income you are earning converts to a regular or active income. Because of this eventuality, do you have a source of recurring and unfailing income?

Bank of Montreal can address this concern. This \$64.6 billion bank is the fourth-largest bank in Canada but the first Canadian company to ever pay dividends.

With BMO's 190-year track record of dividend payments, you have a dependable [source of active income during retirement](#) and for the rest of your life. Just like Enbridge, the 4.07% dividend is higher than the current inflation rate.

BMO is aiming to become a top 10 investment bank in North America by 2023. The goal is realizable given the way the bank is scaling its operations in the United States. Management expects to grow modestly by 4.93% annually over the next five years.

Your capital and dividends are safe if your core investment is the pioneer in dividend payments.

Retirement ready

Many are saying that retirement is more art than science, that serious planning is necessary. Also, all your answers to the questions above should be in the affirmative. Otherwise, you have to adjust your forecast and do some more pencil-pushing.

Before you can enjoy your retirement fully, you need to cover all grounds, including the choice of high-quality investments like Enbridge and BMO.

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