



## 1 Costly Mistake Could Ruin Your Careful Retirement Planning

### Description

Retirement is [a crucial stage in life](#). Your date with destiny requires early preparation. Would-be retirees in Canada today, however, commit one costly mistake that can ruin retirement. The mistake you can commit is not realizing or admitting what you don't know.

For example, you might be familiar with the Tax-Free Savings Account (TFSA) and the Registered Retirement Savings Plan (RRSP). Unfortunately, you might not take the time to learn how to use these investment accounts.

There is also the Canada Pension Plan (CPP), which is where you will eventually draw your retirement income. Rules are governing each of these facilities. The key to a successful retirement is to know all the features and benefits. From there, you can devise a strategy that can guarantee a stable financial future.

### Investment choice

Concerning the management of the TFSA or RRSP, you must invest in income-generating assets within the investment accounts. Growing your nest egg entails making investment choices.

The TSX is a marketplace to purchase high-quality investments that you can hold before, during, and after retirement. If you think investing in several stocks is too cumbersome to monitor, you can jumpstart your wealth build-up with a single bank stock.

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), or CIBC, can deliver a steady income stream in five years, 10 years, or well into your sunset years. Many retirees have CIBC as the [anchor stock](#). The fifth-largest bank in Canada has the distinction of sustaining profits for over 152 years.

You can't ask for anything more from the bank. Success depends on how well you can manage your TFSA and RRSP using CIBC as your ticket to a well-funded retirement account.

The 5.74% dividend will enable you to build a substantial nest egg by the time you reach retirement

age. You'll feel the advantage of the stock during an inflationary environment. More so, your investment is safe in times of recession. CIBC has weathered the financial storms of the past.

## More mistakes

Retirement might be far off from your mind. But it is to your advantage to plan ahead. Otherwise, you'll be facing irreversible consequences. Economic dislocation is the grim reality previous retirees discovered late in life. Those who lived longer outlasted their retirement savings.

If you have outstanding debts, devise a repayment scheme that can expedite the liquidation of your loans. You can't expect to be wealthy during retirement if you have payables to settle. Aim to be debt-free and avoid carrying debt into retirement. You might end up using the money in your nest egg to retire debts.

And when possible, you should stop working at age 65. Others continue working past their prime due to inadequate savings. It's difficult to save money when you're no longer in the pink of health.

## Your financial future is at stake

There is a danger when you misunderstand how TFSA, RRSP, or the CPP works. Since your financial future is at stake, don't hesitate to consult or seek financial advice.

About investment choices, don't gamble your money. Stick to top-notch dividend stocks like CIBC for safety, protection, and capital growth.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)

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