



Do You Really Need \$1,000,000 to Retire?

Description

The amount of retirement savings is a weightier consideration than the actual retirement age. You can opt for early retirement if you have enormous cash in your retirement account. However, you might have to work beyond 65 if you don't have enough. So, do you really need \$1 million to retire?

\$1 million is a ballpark figure but not necessarily the magic number. Setting the benchmark seems logical because you're basically a millionaire. Even if you have the amount, it's still uncertain whether the funds will hold up.

Instead of being pressured by this fallacy, some Canadians are following the "unretirement" trend. These days, younger workers prefer taking mini-retirement breaks then work until a later age.

Also, the strategy of working part-time or 20 hours a week during retirement can alleviate you from the struggle of saving money. Simultaneously, you can [build your nest egg](#) by investing in high-yield dividend stocks. The result is a comfortable retirement lifestyle.

Dividend monster

Alaris (TSX:AD) is a dividend monster if you want to be part of the race to \$1 million. Growing your TFSA or RRSP balance is quicker with the stock's 7.44% dividend. A \$250,000 retirement savings can already produce \$1,550 in monthly passive income.

More so, [a \\$500,000 nest egg can double in fewer than 10 years](#). Retirement age is just a number if Alaris is your core stock holding. You even have the prospect of ending up with a multi-million retirement fund by saving money at every opportunity.

This \$813.23 million private equity firm has a unique operation that produces significant royalty payments. Alaris is helping lower- and middle-market companies to realize maximum business potentials. Startups and other companies with a declining asset base are not the target beneficiaries.

Alaris invests between \$5 million and \$100 million in top-performing companies, across all industries,

with historical cash flows of more than \$3 million. In return for the growth capital or long-term financial assistance, Alaris receives royalty payments from these thriving business entities.

Dividend machine

Inter Pipeline (TSX:IPL) is a dividend machine in the energy sector. This \$9.22 billion oil and gas midstream company pays a lucrative 7.7% dividend. With this fantastic yield, a \$75,000 exposure can generate \$481.25 in monthly passive income.

If you have seed capital of \$250,000 and an investment horizon of 20 years, the value of your investment at maturity date is \$1.1 million. You've won the race but can continue growing your fund by purchasing more shares or reinvesting the dividends.

Inter Pipeline produce natural gas and crude oil in Canada and delivers them to investment-grade customers across North America. Likewise, you would be investing in a low-risk business operation.

The company derives about 80% of revenue from long-term contracts embedded with commodity-insulated and inflation-adjusted provisions. That is the reason why income investors highly regard Inter Pipeline as a reliable dividend payer. Furthermore, the stock has increased its dividend over the last 10 years.

Great financial shape

One million is nice to have, but a retirement fund can be a little less depending on your spending habits. However, there are many intangibles during retirement. You need a stable income from Alaris and Inter Pipeline to keep you in great financial shape.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)

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1. Business Insider
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