



Your CPP Pension Is Not Paying Enough? Do This

Description

Are you close to retirement and realize that your retirement savings, CPP pension, and OAS payments, won't be enough to cover your costs?

Understandably, the average CPP payment for this year is only \$679 per month, which is hardly enough. According to a recent *Financial Post* article, you're much better off than 39% of Canadians who have no savings at all for retirement.

With your retirement savings, instead of putting them all in secure GICs and high-interest savings accounts, you should consider investing in safe dividend stocks to supplement your CPP pension and OAS payments.

Before discussing the dividend stocks to buy. First, here are some big-ticket items you can juggle around or outright eliminate to save tens of thousands of dollars a year to put towards your retirement fund.

Your house

Many retirees have their houses paid off, but as adult children move out, there will be excess space in the house. Maintaining a house takes work — lawn-mowing, snow-shoveling, floor-vacuuming, dust-cleaning — you name it! Toilets, pipes, and faucets also need fixing at some point. If you're not doing the maintenance yourself, you need to hire someone to do it.

Needless to say, a house also comes with a hefty property tax that must be paid every year.

Retirees can downsize to a townhouse or apartment. Moving to a smaller residence is not necessarily a downgrade. It reduces costs and the workload that comes with owning a house.

You may choose to live in an apartment building that has a strong sense of community. Imagine having a shared garden, gym, other common areas, and easy access to everything you need like grocery stores and the bank — all within walking distance.

After deliberating if you still wish to keep your house, another option is to rent a portion of the home out to help with costs. It's common for young families to get their tenants to help fund their mortgage payments. Why can't you do the same to fund your retirement?

Your car

Driving may not be a necessity in retirement because you don't need to drive to work anymore. You can save thousands of dollars every year from selling your car — not having to pay for gas, maintenance, and auto insurance costs. If your spouse has another car, the two of you can save double the amount!

If you can get to the places you need most of the time within walking distance, there's no need for a car. It'll be healthier to walk anyway. And if you need to go to farther places, taking public transit is always an option.

Safe dividend stocks

For the retirement savings that you won't be touching for at least a few years, you can [invest in safe dividend stocks](#) like **Fortis** and **Enbridge** in to [greatly boost your retirement income](#) with their yields of 3.7% and 5.9%, respectively.

In conclusion

Discuss the options with your loved ones and your financial planner before deciding on the best course of action that fits your retirement needs.

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Date

2025/07/28

Date Created

2019/12/08

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