



Do You Have \$0 in Savings? 3 Easy Steps to Still Retire Rich

Description

Retiring rich, even if you haven't started saving, is possible. The pressure may be intense for a late starter. However, it's not too late to begin. There are catch up ways to salvage the situation and secure your retirement. You must follow through when you start the daunting task.

Reduce expenses and save more

The fundamental strategy of retirement planning is to reduce expenses to have money for savings. Save at every opportunity, limit your purchases on necessities, and do away with splurges.

Change your mindset

As you build your savings, start thinking about investing. Saving cash alone will not help you achieve your financial objective. You need to put your money into good use and look for income-producing assets.

Increase income

Increasing income doesn't mean asking for a raise or hoping for a promotion. You have to create passive income in addition to your active income. Dividend stocks can do the trick, but you don't pick the stocks randomly. You need to focus on reliable dividend payers.

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) and **Inter Pipeline** (TSX:IPL) can kick start your last hurrah and deliver wealth in a timely fashion. The pair pays an average dividend of 5.76%. In 10 years, your \$50,000 savings can balloon to \$87,535.54. It's a spectacular windfall coming from zero.

Fortis's yield is lower at 3.65%, but you're taking a defensive stance. This utility stock will not put your capital in harm's way. Besides operating for 134 years, the business of generating and distributing electricity will continue regardless of the market environment.

From a dividend standpoint, Fortis's dividend streak is 46 years Canada. The record is the second-longest among the so-called Dividend Aristocrats. With the company's target of achieving a 6% annual growth rate through 2024, you can expect your extra income or savings to grow in chorus.

Fortis has proven its worth as a recession-proof investment. Its price even appreciated during the 2008 financial crisis. Investors found this utility stock to be as [safe as bonds](#). You might find the price high, but you're paying a premium for safety.

With a yield of 7.87%, Inter Pipeline is [a dividend machine](#). This \$9 billion oil and gas midstream company is relatively young compared with Fortis. However, the stock has a dividend-growth streak of 10 years and a dividend-growth rate of 7.43% in the last five years.

Since you're nearing the 11th hour, this energy stock can accelerate your savings activity. It will take you fewer than 10 years to grow your \$100,000 twice over. Assuming you're 15 years away from retirement, the value of the same investment would be \$311,537.39.

Inter Pipeline's business of producing natural gas and crude oil and delivering the products to investment-grade clients is low risk. Revenue is recurring, as 80% comes from long-term contracts with stipulations or provisions against commodity price fluctuations and inflation rate movements.

Inter Pipeline offers the best of both worlds to any investor — strong income earnings and long-term money growth. Don't forget the safety of dividends.

The end view

Focus on the end view of retiring rich. Allow Fortis and Inter Pipeline to secure your retirement, even with the late start.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. TSX:FTS (Fortis Inc.)

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