Baby Boomers: 3 Reasons You're Not Ready to Retire

Description

The demographics in Canada are showing that the majority of the baby boomers are now in the 55 and over age bracket. According to Statistics Canada, the number has risen by 22% since 2011. As of July 1, 2019, baby boomers form the bulk of the seniors.

Notably, these aging work forces seem to be working longer and delaying retirement. If you're a baby boomer who's a few years away from retirement, there could be three reasons why retiring is not a possibility.

Not retiring by choice

A positive note is that some would-be retirees are extending their working lives due to financial flexibility. I suppose they have enough savings or investment income but have chosen to explore hobbies and interests while staying in mainstream employment.

Financial anxiety

Fear of the future is one of the primary reasons. It presents a problem if you think the CPP pension isn't enough to live on, especially if you have no extra income to support your retirement lifestyle.

It would help if you took on part-time work to save and then have some money to invest.

As an example, had you invested $10,000 in **Bank of Montreal** (TSX:BMO)(NYSE:BMO) in 1999, your money could be worth $87,365.02 today, including the dividends reinvested.

Imagine the amount of your retirement savings if the investment was higher.

BMO is the stock for would-be retirees. This bank is the pioneer in dividend payments. The company has been paying dividends since 1829. Many income investors regard this bank stock because of the fantastic dividend track record.

Also, BMO's dividend growth streak is eight years, while the five-year dividend growth rate is 5.15%. Throughout the years, the bank maintains a payout ratio of less than 50%. Currently, the stock offers a yield of 4.24%.

You don't have to worry about the financial stability and sustainability of dividends. More important, your exposure is in the vibrant and most stable banking industry in the world. BMO is also one of the Big Five banks in Canada.

Eleventh-hour saver

The advice to save as much for retirement while you're in your early 20s or 30s still holds. You would need at least a 20 to 25 years investment window to amass a bountiful retirement fund.

Many baby boomers are scrambling to save because they fear the worst during the sunset years. However, you can save at every opportunity and start investing. A dividend stock you can consider is **TC Energy** (TSX:TRP)(NYSE:TRP).

This nearly seven-decade-old energy infrastructure company operates a 92,600 kilometre network of natural gas pipelines. Natural gas from supply basins passes through TC's pipelines to reach local distribution companies, power generation plants, industrial facilities, interconnecting pipelines, and other businesses.

The company operates through five segments, namely Canadian Natural Gas Pipelines, U.S. Natural Gas Pipelines, Mexico Natural Gas Pipelines, Liquids Pipelines, and Power and Storage.

With TC Energy's 4.4% dividend, you can generate $6,600 in annual income ($550 monthly) from a $150,000 investment. You can preserve your capital and add the dividend earnings to your pension.

Retirement sustenance

As a baby boomer, you should make your retirement goals realistic and doable. You can also draw financial sustenance from income-producing assets like BMO and TC Energy.

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1. Bank Stocks
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2. NYSE:TRP (Tc Energy)
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Date
2025/09/11
Date Created
2019/12/19
Author
cliew