Retire Quicker: 3 Different Paths to Getting Rich

Description

Retirement is often described as the golden years. It's an apt enough description; as retirement is the time you get to fully devote to yourself and your loved ones.

This is something that your work-life might have prevented you from achieving. But the golden years often come too late when you don't have the energy and the vitality to do most of the things you would love to do.

There is an easy solution, however: retire early. In the current economic environment, where the cost of living is rapidly outpacing the income, housing is getting harder and harder to afford, and the alarms of another recession are already ringing. So how can you retire quickly? Can you save enough to live your retirement life and prosperity?

Start a side business

The best way to enhance your savings is to increase your income. You can either take on a second job or start a side business. I would recommend the latter option because you will be doing your side business on your terms. And the money you will make is proportional to how hard you work, compared to the fixed and draining trial of a second job.

The best thing about a side business is that it can be something you love and feel passionate about, and it can also be something you are good at.

Maybe you're in IT, and in addition to your day job, you may start taking on small IT contracts as a side business to save for early retirement or you can turn your hobby of flying drones into drone photography.

Save more — a lot more

If you're planning to retire somewhere around 50, instead of 65, you may want to switch to a much more aggressive saving plan than the one you are using now. If you're putting aside 15% of your earnings, double it and then add some. Go for at least 40% and try to hit 50% of your yearly income.

It might seem rough, but if you've already started a second business, your secondary income stream might soften the blow of your brutal saving on your lifestyle.

Start investing early

Investing early and capitalizing on the power of compounding is the best way to use your savings. No amount of compounding and years can get you to a decent early retirement fund if you only depend upon interest.

If you are looking for good stocks to invest in, you might want to check out **SmartCentres REIT** (TSX:SRU.UN) and **Intact Financial** (TSX:IFC). Both are dividend aristocrats, one for yield and one for growth.

SmartCentres has increased its dividends for six consecutive years. The company specializes in retail real estate, a very stable real estate niche.

Currently, the company is offering a mouth-watering yield of 5.76%. That's a substantial sum of yearly dividend payouts that you can put aside.

Intact Financial has an even more extended history of dividend increases, 13 consecutive years. Though the current yield is not as impressive as SmartCentres, 2.24%, the company's growth is impressive, having grown 69% in the past five years. If the company continues along the same pace, it will double your investment in about eight years.

Foolish takeaway

Quicker retirement is not a fantasy. But it's not a very easily attainable goal either. You have to work doubly hard now if you want to start enjoying your golden retirement years in your fifties.

Hard work is not the only element, however. Financial discipline, aggressive saving, and the right investments are the key ingredients in your early retirement cocktail.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:IFC (Intact Financial Corporation)
2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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1. Business Insider

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