



Want to Retire Soon? Then Follow This 3-Step Checklist

Description

You can't blame would-be retirees for the hesitancy to take the retirement exit. The feeling is understandable if there isn't enough savings for retirement.

You can find out your readiness if you follow this three-step checklist.

Do you know your retirement needs?

Retirement needs differ compared to when you're in mainstream employment. Expenses are lower, but there's no more regular paycheck. Also, pension plan or company pension coverage is likely to comprise only 25% of your retirement income.

The rest of the income will come from other sources. While CPP or OAS payments can answer your basic needs, you need extra for healthcare costs. There might be a need to downsize and relocate to a smaller house to save on maintenance costs.

Do you have an investment income?

There's still time to catch up. If you have the discipline to save, use the savings to invest in incoming-producing assets. **Toronto-Dominion** ([TSX:TD](#))([NYSE:TD](#)) and **Suncor** ([TSX:SU](#))([NYSE:SU](#)) are dependable dividend stocks.

You can [avoid being in a financial bind](#) if you park your money in a blue-chip company like TD. The most popular and second-largest bank in Canada has a 162-year tradition of paying dividends. Today, TD offers a 4.02% dividend yield.

Assuming you have \$100,000 to invest, this bank stock can deliver \$1,007.25 in quarterly income. Since TD is a buy-and-hold stock, the cheque will come to you regularly.

Canadian as well as American investors trust TD. No other bank, or company, for that matter, reported

revenue and earnings growth during the 2008 financial crisis except this \$133.3 billion banking giant.

Anyone in catch-up mode should not put capital at risk. TD is capable of paying dividends regardless of the market environment. Time and again, it has proven its financial strength and stability.

Suncor is another dependable dividend stock. Retirees worry about a market crash. This dominant energy stock, however, should lessen the fears. Since its upstream and downstream operations are fully integrated, the company generates growing revenue and income yearly.

In the fiscal year 2019, Suncor posted revenue and income growth of 5.71% and 3.33%, respectively, notwithstanding the headwinds the industry faced this year.

If you want validation, Suncor is just one of two energy stocks in Warren Buffett's stock portfolio. More so, as a value investor, Buffett knows that Suncor has yet to achieve its full potential.

Aside from the 3.94% dividend yield, there is a potential capital gain. In the next 12 months, analysts covering Suncor foresee a price appreciation of about 26.5%. Expect this energy stock to be among the top performers in the sector in 2020.

Do you have a withdrawal strategy?

One pitfall of unprepared retirees is outliving retirement savings. If there is a lesson to be learned, retirement withdrawals should be within the retirement means. Otherwise, the well will undoubtedly run dry if there are no other income sources.

Serious undertaking

[Retirement planning is a serious undertaking](#). If your answer to all three questions is yes, you are ready. Also, TD and Suncor add to your confidence.

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2. NYSE:TD (The Toronto-Dominion Bank)
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