2 Smart Financial New Year’s Resolutions for Retirement Investors

Description

A new year means it’s time for a new perspective, and that means it’s as good a moment as any to take a fresh look at one’s retirement investment strategy. Today, we’ll take a brief overview of two simple ways to strengthen a retirement savings plan no matter the time frame and help ensure a more comfortable post-work financial environment for the general low-risk investor.

De-risk and unclutter your stock portfolio

With an unusually high level of potential market stressors crowding the financial landscape at present, stripping out risk from a stock portfolio is the order of the day. Think of it as laying the foundation for a house: rather than building directly onto speculative sand, it’s far better to start laying bricks on boring, sturdy concrete. Look for companies with strong, dependable track records of payment growth.

When you’re stripping out dead wood from your retirement portfolio, target underperforming assets, overvaluation, and sectors with unimpressive outlooks. While that hot stock you bought a while back still just might take off in the next couple of years, if a company’s topline has been uninspiring, if its quarterly results suggest downsizing, or if its top brass have been selling shares, it may well be time to cash it in.

Pack your RRSP with dividend-growth stocks

Retirement investors will have different acceptance levels for risk depending on their age and financial situation. However, starting out with a low appetite for risk is a sound catch-all strategy. However broad an investor’s financial horizons might be, defensive utilities are always a good place to start. Qualities to look for include a wide moat, geographical diversification, and a history of payment hikes.

Fortis ticks all of these boxes, with market dominance, largely regulated operations across North America and the Caribbean, and a track record that spans four-and-a-half decades of dividend growth. Aiming at 6% growth by 2024 and paying a 3.3% yield, Fortis is tailor made for an RRSP.

Other options for retirement planning include other key domestic market leaders such as **BCE** and **Methanex**. Both stocks also display wide-moat features and pay tasty dividend yields: 5.25% and 3.85%, respectively. BCE has increased its payments for 11 years on the trot, while the methanol producer has hiked dividends for eight consecutive years.

BCE is a high-quality stock for instant exposure to telecoms, multimedia, and content streaming, with almost 90% of its revenue sourced from broadband and wireless. Methanex is a one-stop stock for clean fuel access combined with a surprisingly broad mix of essential industries. Methanol could be a breakout material in the first half of the 2020s, with upside potential to match.

The bottom line

As investors start to think about retirement or are buying stocks as retirees for either an RRSP or another later-years portfolio, stocks of the calibre of Fortis can form an important part of a de-risking strategy. From utilities to media to international materials, the passive income investor buying stocks for a comfortable retirement has a diversified mix in this small cross-section of the best the TSX has to offer.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

POST TAG

1. Editor's Choice

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

Tags

1. Editor's Choice

Date

2025/07/08
Date Created
2020/01/03
Author
vhetherington