



## Retirees: 3 Easy Ways to Give Yourself a Raise

### Description

One of the biggest things prospective retirees worry about is making ends meet. Will their investments generate enough income or will they be forced to take drastic measures to make ends meet, like potentially selling the house or hitting up their kids for a bailout?

Personally, I think most soon-to-be retirees don't have much to worry about. It costs way less than you'd assume to be retired, especially if you're interested in a pretty regular life. Besides, people do have a way of making ends meet.

If you're still worried about having enough cash in your golden years, then this article is for you. Here are three easy ways you can increase your income while having the retirement of your dreams.

### Keep working

Many retirees follow a similar pattern. They're happy with all their newfound freedom, taking the first year or two after retirement to travel, do stuff around the house, or spend time with the grandchildren.

But then, something happens. The same stuff that made them happy during the first few months of retirement no longer has that same spark. Many long for something a little more substantial, while others miss the social aspect of leaving the house every day.

The reasons might be varied, but the solution is often the same. Many retirees end up going back to work.

This doesn't mean a new full-time job, of course. Just one or two days a week can be enough to scratch that itch. And depending on how in demand your services might be, a part-time job can easily bring in \$10,000 or \$20,000 in extra annual income. That cash can be spent, given away, or put to work in [income-producing assets](#).

No matter what you do with any extra income, it'll sure take the edge off if you're a little worried about outliving your money.

## Delay CPP

Most retirees start taking their Canada Pension Plan (CPP) benefits at or before age 65, anxious to start receiving money from the feds as soon as possible.

But that might not be the best strategy. If you delay taking your benefits until age 66, you'll get a 7% raise. And if you [delay taking your benefits until age 70](#), you're looking at 42% more income than if you took them at the standard retirement age.

If you're worried about cash flow during your later years, the easiest strategy is to delay CPP a few years.

## Choose high-yield stocks

Many investors use the 4% rule, which states that you're safe to withdraw 4% of your portfolio every year during retirement. An easy way to get around that is to load up on stocks that offer sustainable yields of higher than 4%. There are dozens of these stocks here in Canada.

One of my favourites today is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), North America's largest energy services company. Assets include oil pipelines, natural gas pipelines, a natural gas utility, and wind-powered electricity generation capability.

Despite being one of Canada's largest companies, Enbridge still has its foot on the gas pedal. Expansion projects include the Line 3 replacement program, off-shore wind turbines in the North Sea, and various other pipelines around North America. Together, these projects should total around \$20 billion in the next couple of years and boost the bottom line.

Enbridge shares aren't terribly expensive, either. The company projects it'll earn \$4.50 to \$4.80 per share in distributable cash flow in 2020. Shares currently trade hands at approximately \$54 each. That's a very reasonable valuation of between 11-12 times forward cash flow.

It's also enough to ensure Enbridge's dividend is well covered over the short-term. The current yield is 5.9%, and investors should be able to expect an annual raise in the 5% range. This combination of great current yield and impressive dividend growth make Enbridge a fantastic retirement stock.

## The bottom line

Giving yourself a raise during retirement doesn't have to be that hard. You can easily do so without much difficulty by getting a part-time job, delaying CPP withdrawals for a little while or loading up on high-yield stocks like Enbridge. It really *can* be that simple.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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