



Baby Boomers: Can You Comfortably Retire With Just \$250,000?

Description

After a lifetime of scrimping and saving, the results are in, and they're a little disappointing. You're approaching retirement age and you have just \$250,000.

For many folks, this isn't all their fault. Firstly, life has a way of throwing us curve balls. Perhaps you did the right thing and paid for your kids' education. Maybe you helped out your parents, or other relatives. Or you might have been forced out of your job a decade early, robbed of your best earning years by a company that wanted to report slightly better profits.

The good news is there are various steps you can take to stretch out what looks like meagre retirement savings. Let's take a closer look at how you can ensure a comfortable retirement, even if you haven't quite hit your savings goal.

Step one: Assess

This is the part of the process where you analyze all your potential sources of income, including ones you can create yourself.

Nothing should be left off the table. You'll have your CPP pension, of course, and you'll qualify for OAS as well. Depending on how much you contributed to CPP over the years, these two income sources could add up to \$1,500 per month or more. Your spouse will likely be looking at similar benefits.

Next, think about how you can increase your savings. If you're sitting on an expensive piece of real estate in Toronto or Vancouver, consider selling now, [while prices are still strong](#). That one move can immediately put a lot of money in your pocket.

This is also a good time to take a critical look at your employment prospects in retirement. A little part-time work can be a good thing. It gets you out of the house and interacting with people. You might have to switch careers though, especially if you've been forced out of yours. Some retirees I know drive a school bus, deliver food for one of the many delivery apps, or consult a little in their previous industry.

Step two: Portfolio positioning

If you're able to extract home equity and put it to work in your portfolio, a lot of problems go away. However, many people aren't that lucky. Or perhaps they don't want to move. That means you'll have to take a more innovative approach towards building a [retirement portfolio](#).

In other words, we'll need more than the 4% yield recommended by experts. I think close to a 6% yield is entirely possible in a diverse portfolio. In fact, this portfolio should also grow a little if we focus on buying quality stocks.

One great stock to put in such a portfolio is **SmartCentres REIT** ([TSX:SRU.UN](#)), which is in the early stages of an interesting growth plan that will see it become one of Canada's largest and most diverse REITs.

As it stands today, most of the company's assets are in retail real estate, primarily with **Walmart** as a primary tenant. Once Walmart signs on as an anchor store, it immediately attracts other retailers, who benefit from Walmart's foot traffic. The world's largest retailer accounts for about 30% of SmartCentres's total rent today.

But that's changing. Led by Executive Chairman Mitchell Goldhar, SmartCentres is expanding into all sorts of different areas. It's building office and mixed-use buildings in a massive project in Vaughn, Ontario. It has partnered with Greenwin Corp to build condos. It has also joined with Revera to build seniors living facilities. And its self-storage unit continues to grow at a steady pace.

In other words, if you put your cash to work in SmartCentres, you won't have to worry about the stock growing. The company has you covered.

Although SmartCentres doesn't quite pay a 6% yield — the current payout is 5.8% — an investment in the company will generate a 6% yield on cost soon enough. It has hiked its dividend by \$0.05 per unit each of the last six years and looks poised to do so again in 2020.

The bottom line

If you're not flush with cash come retirement time, don't sweat it. By maximizing your CPP, OAS, and other sources of income, you can be well on your way to a secure retirement. Great income stocks like SmartCentres REIT will sure help, too.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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Date

2025/07/02

Date Created

2020/02/13

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