



## Baby Boomers: How to Retire Comfortably Even if You Have No Savings

### Description

Life has a way of happening much more quickly than any of us imagined. One minute, you're young with all the dreams in the world. The next, you're at retirement age about to experience an uncomfortable reality without any savings.

The good news is you're hardly alone. Thousands of other Canadians don't have anything put aside for retirement because they simply didn't earn enough or because they spent their savings on something else – like putting the kids through school, for instance.

If you're in the same boat, don't fret. There are several steps you can take to ensure your golden years are pretty comfortable.

### Max out government programs

Every retiree can look forward to their share of [Canada Pension Plan](#) (CPP) payments. If you have no savings, you'll also qualify for maximum Old Age Security (OAS) payments. Between you and your spouse, these two income sources could add up to some \$3,000 per month, or even higher.

Unfortunately, most folks don't qualify for maximum CPP payments. On average, you'll get a little under \$700 per month. Your spouse might get even less, depending on how much you both worked over the years. OAS payments are an additional \$613.53 per month for each spouse if you qualify for the maximum.

It all translates into a probable family income of about \$30,000 per year. That might be enough to keep you over the poverty line, but you'd likely need to make some sacrifices to get by.

The good news is there's a multitude of additional programs that help out low income seniors. The Guaranteed Income Supplement should help, especially if one spouse doesn't qualify for even average CPP payments. And there are various other provincial and municipal programs that help seniors, some of which can put hundreds of dollars back into your pocket.

Don't feel bad for taking advantage of these programs, either. Remember, you've paid your taxes. Those taxes helped fund these programs for everyone.

## Sell the house

This might not be something many [baby boomers](#) want to hear, but we've got to consider all options here. Even if that means selling the family home to unlock some of that equity.

Having a home is expensive. Maintenance can really add up, especially when you need to do an unplanned repair. Property taxes are expensive and keep marching higher every year. Even property insurance costs seem to be out of control.

You can really put cash in your pocket by selling and then moving to a much cheaper market. For instance, a two-bedroom apartment can be rented in Quebec City for around \$800 per month. A homeowner in Toronto or Montreal would likely pay that much for taxes, insurance, and maintenance alone.

Once you've extracted that home equity, it's time to invest it in terrific Canadian dividend payers. A simple way to do this is to invest in the **BMO Canadian Dividend ETF**, which holds a basket of top dividend stocks. It's a perfect stress-free choice that pays a 4.2% yield.

## Get a part-time job

Many retirees enjoy having a part-time job because it gives them a purpose and most jobs have a built-in socialization factor involved. Don't discount this factor of a happy retirement; many older folks find boredom to be a major issue, especially in the first few months after they hang up the proverbial skates.

The money earned is a major bonus, too. Even just working 10–15 hours per week can easily add an additional \$10,000 per year to your total retirement income. That's a big difference if you're only making \$30,000 from CPP, OAS, and other government programs.

Many folks use retirement as an opportunity to try something new. You might begin a passion project that brings in a little extra money. Or maybe you'll do something that really emphasizes socialization, like driving a bus or helping out at a school. Some folks just don't like change, so they might stick with their previous profession and just do it a little less than before.

## The bottom line

All the naysayers will tell you that a retirement without substantial savings will be fraught with hardship. I disagree. Sure, more money is always better than less. But it's still possible to have a comfortable retirement, even if you haven't saved a dime in RRSPs or TFSA's.

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