



Planning for Retirement? Don't Make the Mistake 59% of Canadians Are Already Making!

Description

Retirement planning can be a stressful and challenging exercise for many people. Relying just on the Canada Pension Plan (CPP) and Old Age Security (OAS) can make for a very frugal and difficult retirement. It's not what anyone wants, but according to a survey from **Scotiabank**, 59% of Canadians are concerned about their financial independence and whether they'll have enough to get by when they retire.

One of the problems? People aren't making retirement planning a priority as more immediate needs are where their focus is. And it's not hard to wonder why that's the case with many Canadians living paycheck to paycheck.

When life events happen, there are costs that usually come along with them, making it difficult to save money and invest. However, that's also precisely why it's important to do so.

Investing can help supplement your income while also allowing you to save for retirement

If you're not making enough or fear that you won't have enough when you retire, it's all the more reason to start investing today. Even if you don't know where to invest, putting it into a top bank stock like the **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a simple and easy option.

While shares of TD may fluctuate and they may even decline in a given year, over the long term they're a safe bet to increase in value.

Over 10 years, the stock has increased by more than 260%. While it hasn't performed particularly well over the past few years, with the stock up around 2% in just two years, if you're a long-term investor you don't have to worry about a window of just one or two years.

And even if the stock doesn't generate strong returns, you can still count on its dividend which today

pays about 3.9%. Combined with a nominal return of even 1%, you could be making 5% per year.

That extra income can be used to help pay for the one-off expenses and help give you a little bit more breathing room that can allow to you save a bit more every month.

The only downside with TD is that with a yield of around 4%, it's not the highest payout that you can get. Even to earn \$400 per year, you'll need to invest more than \$10,000.

With a stock that [pays around 8%](#), you'll only need a \$5,000 investment to get the same amount of dividends. However, the danger there is that you're also taking on a lot more risk in the process.

What's most important though is to start putting aside money today and to do it regularly to ensure that you don't fall into the problem that many Canadians see coming for themselves: the reality that they'll have to adjust their lifestyles drastically when they go to retire, or that they won't be able to retire at all.

Investing in stocks can be a great way to prevent that from happening and ensuring that you're in control of your future and won't have just CPP and OAS payments to rely on. Even just trying to [save \\$10 every day](#) can be an easy way to start building up your savings.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/08/25

Date Created

2020/02/22

Author

djagielski

default watermark