Baby Boomers: This Coronavirus Market Crash Could Delay Your Retirement by 5 Years

Description

Baby boomers are in a bind with the COVID-19 pandemic. A great number from this generation are nearing retirement age. Some have even scheduled their retirements early at age 60. However, it appears that the coronavirus market crash could delay retirement by five years.

Health concerns

Healthy baby boomers shouldn't take COVID-19 lightly. Even if you feel invincible, you don't want to be infected. The virus is more dangerous to others with health problems already, such as cancer, diabetes, heart disease, and lung conditions; it has become imperative to self-quarantine

The current pandemic and its economic impact will derail retirement plans. Right now, Canadians who are five to 10 years away from retirement are in the risk zone. Aside from health concerns, retirement savings and nest eggs are equally problematic. You can no longer rush into retirement without ensuring your financial future.

Wealth concerns

Relying on the Canada Pension Plan (CPP) and the Old Age Security (OAS) alone would pose financial problems. For the CPP, it would be wise to delay the benefits until age 70. You will gain the advantage of boosting the monthly benefit by 0.7% beyond 65 years old.

Hopefully, by the time you get to be a septuagenarian, the coronavirus will be a thing of the past. Still, economic dislocation during the sunset years should be a concern. There have to be other income sources to live comfortably. Time is of the essence to baby boomers — especially those with insufficient retirement savings.

Top-rated investment

The oil price war between Saudi Arabia and Russia is compounding the crushing of energy stocks. The sector's top pick, **Enbridge** (TSX:ENB)(NYSE:ENB), is gallantly contending with the headwinds.

The stock price of this $78.7 billion energy infrastructure company is nearing its 52-week low of $33.06. Bargain hunters are expected to take advantage of the nearly 32% drop since February 12, 2020. More so, the 8.35% dividend of this blue-chip stock is hard to pass.

What is hurting Enbridge the most is its identification to oil. The company is into the liquid pipelines and gas transmission business. Lower oil prices will not have a significant impact.

Enbridge's business is highly diversified. Its operations cover oil transportation, natural gas transmission, and electricity generation. Since contracts are fee-based, the company should generate sufficient cash flows, even if oil continues to trade at a very low price.

The diverse asset footprint and low-risk nature of the business make Enbridge a defensive investment choice. In the long run, you can expect double-digit returns.

Health and wealth issue

The coronavirus is causing great pain to health and wealth. Baby boomers in particular can't afford investment losses. But the present crisis dictates a careful evaluation of retirement plans. If it means delaying the date by five years, make sure you have reliable income sources apart from the CPP and OAS.

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