The Number 1 Retirement Mistake Canadians Are Making Today

Description

Canadians are not ready for retirement. A 2019 survey from **Royal Bank of Canada** found that most Canadians have not saved enough for a comfortable retired life. And this statistic is regardless of personal wealth.

The report states for Canadians over the age of 50 with assets north of $100,000 would like to have a nest egg of around a million dollars by the time they retire. The average person in this group is running short of their financial goal by $275,000.

Further, Canadians above the age of 50 with assets of less than $100,000 want to have a nest egg of $574,000 (on average) and are a massive $500,000 short of their target. So, the number one mistake that most Canadians are making is not saving enough.

Young Canadians need to avoid this mistake and ensure they have enough funds to cover retirement expenses. While the Canadian government provides retirees with financial support via the Canada Pension Plan (CPP) and Old Age Security (OAS), these are not enough to completely fund your retirement lifestyle.

You need to be disciplined when it comes to retirement savings. Financial planners have always highlighted the importance of first allocating money for savings and essential expenses and then utilizing the balance for leisure. One way to do this by automating your investments. If you want to save $500 per month, set up a recurring withdrawal to move this amount directly from your savings account to your brokerage account.

Most brokerages offer an automated withdrawal service, and it is one of the best ways to ensure you remain disciplined to achieve retirement goals.

How do you secure your retirement?

While creating an automated savings option is the first step, you also need to allocate these funds to grow your wealth over time. At a time when interest rates are near record lows, equities remain the best option to help accelerate your retirement.

You can look to buy quality stocks such as **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) to secure your retirement. QSR owns a portfolio of well-known outlets such as Burger King, Tim Hortons, and Popeyes.

The hospitality industry has been badly hit amid the ongoing pandemic that decimated many stocks, including QSR. As economies reopened and lockdown restrictions were lifted, QSR and peers experienced sharp recoveries.

QSR stock is trading at $75.46, which is 28% below its 52-week high. It fell to a multi-year low of $36.48 in the recent sell-off but made a strong comeback and gained over 100% in the last four months.

Due to the dreaded coronavirus, analysts expect QSR sales to fall by 25% in Q2 while earnings decline is forecast at 50%. However, QSR has focused on expanding delivery services and its digital presence, which helped to offset a pandemic-led decline.

QSR a $35 billion company operating 27,000 quick-service restaurants in over 100 countries. It is well poised to generate market-beating returns due to its vast geographical presence, focus on growth, and a dividend yield that stands at 3.8% currently.

QSR is one of the two Canadian stocks owned by Warren Buffett and should be on the radar of most investors.

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