Baby Boomers: These 2 Stocks Can Help You Retire Early

Description

Retiring wealthy is a dream that I think everybody shares. How you define wealth can be different for you compared to someone else. The end goal is to achieve the creation of enough funds to see you through your retired life with the comforts you want.

Some people have a goal of saving enough to buy a cottage. Another person might want a sailboat to travel the world. You might even want to own a cruise ship to yourself and have someone take care of all the cooking and cleaning for you. Whatever wealth means to you, getting to the point takes discipline and careful financial planning.

Setting aside cash in a retirement account is a fantastic start. However, creating a self-directed investment portfolio of dividend stocks can prove a better way to amass the wealth you need for your nest egg. A portfolio of reliable dividend stocks can substantially grow your wealth over the next few decades. Reinvesting your dividend income to unlock the power of compounding can accelerate the growth of your wealth to reach the desired retirement figure more rapidly.

I will discuss two stocks you can hold on to for the long run and use as the foundation of a strong retirement fund.

Royal Bank of Canada

Royal Bank of Canada (TSX:RY)(NYSE:RY) is among the most reliable companies you can invest to secure your wealth's long-term growth. It is a reputable financial institution that has a secured revenue stream. It provides several financial products and services to its clients through various divisions in personal banking, commercial banking, wealth management, insurance, capital markets, and much more.

It is one of the largest banks in the country and boasts a balance sheet that is strong enough to weather periods of financial uncertainty, like the one we are in right now. RBC took a hit, along with the other banking stocks, when the pandemic struck. Its share price fell by almost 34% amid the panic-fueled sell-off frenzy. However, it has recovered by almost 37% at writing.

At its current price, it pays its shareholders at an attractive 4.37% dividend yield. It has the kind of liquidity and cash flow through diversified operations to sustain its payouts, despite the short-term difficulties.

Telus

Telus (TSX:T)(NYSE:TU) is a leading Canadian company in another industry. One of the most significant telecom providers in the country, the communications giant offers its customers world-class wireless and wireline networks. It also provides them with TV and internet services throughout the country.

Telus operates without a media division. While some investors might think that it is a disadvantage compared to other communications sector operators, Telus might be better off for it. Instead of the capital-intensive media sector, Telus chooses to invest in its Telus Health initiative.

It provides digital solutions to Canadian doctors, insurance companies, and hospitals. It has a leading position in an emerging market that can become more prominent in the coming years. At writing, Telus is trading for $24.48 per share. It is up by almost 23% from its March 2020 bottom, and it pays its shareholders at a juicy 4.76% dividend yield.

Foolish takeaway

Allocating a portion of your TFSA contribution room to shares of both Telus and Royal Bank of Canada can help you see significant growth for your wealth. Both companies offer promising capital gains and reliable dividend income that you can use to reinvest and broaden your retirement nest egg. I think these two industry toppers can be ideal assets to use as a foundation for your retirement fund.

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1. Dividend Stocks
2. Investing

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