



## Retirees: 2 Unexpected Sources of Retirement Income

### Description

Anchoring your retirement on the Old Age Security (OAS) and Canada isn't a smart move. The pensions are [insufficient to support a comfortable life](#) in the golden years. However, building retirement wealth is not easy. You might have to save money aggressively and virtually spend nothing.

Some Canadians can rely on a variety of sources, such as retirement savings and rental income. But a few people are providentially gifted with unexpected retirement income: inheritance and dividend stocks. You're lucky if you have either to supplement your OAS and CPP.

### Inheritance

Aside from winning the lottery, inheritance is an unexpected bonus. There are parents and wealthy relatives who leave their wealth to bereaved children or next kin when they die. Few would-be retirees consider inheritance as [a source of retirement income](#), because bestowed money or estate is uncommon.

However, if you're an heir, the transfer of wealth is instant retirement income. It can be in cash, real estate properties, and ownership in a company or business. You don't need to break a leg to build a nest egg.

The common pitfall of beneficiaries, however, is squandering the fortune. When money is not hard-earned, the tendency is to spend it with wild abandon. It would be best to pay debts or reinvest the inheritance for money growth.

Don't mistake inheritance money for lottery winnings. The deceased relative entrusted the money to you not to spend needlessly. It would be best if you used it wisely and put it to good use to secure your financial future.

### Dividend stocks

Would you believe that **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) can sustain your retirement lifestyle? Canada's largest financial institution has been providing a steady income stream to dividend investors and retirees for a century and a half now.

RBC should remain formidable, despite the headwinds in 2020. Its hallmark characteristics are adaptability and ingenuity. Economic downturns are nothing new, and the 156-year-old company has endured the worst, including two World Wars. Once you own the stock, you don't have to sell.

RBC is providing tools and resources that go beyond traditional banking solutions in the recovery phase. The focus of digitally enabled solutions is the backbone of the economy — small businesses. It's helping entrepreneurs recover and grow again.

Currently, the bank stock pays a 4.48% dividend. If you have \$200,000 in cash hoard or inheritance money, your monthly investment income is \$746.67. Hold the asset for 20 years, and your capital will grow to nearly half a million.

## Don't blow your chances

Whether you have lump-sum savings or money from an inheritance, don't blow your chances to retire wealthy. If you have newfound money or unexpected income sources, be circumspect or cautious in handling your finances. Map out your journey to retirement by making intelligent investment decisions.

Devote the resources to quality assets that can deliver the immense potential for returns over the long haul. The opportunity might not come again. Remember that your pensions are not sufficient to ensure your financial well-being.

A successful retirement depends largely on financial resources. Life in the sunset years is harsh if you don't have enough. Hence, it's your call. You either retire prosperous or impoverished. Make a choice.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:RY (Royal Bank of Canada)

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**Date**

2025/08/18

**Date Created**

2020/09/22

**Author**

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