



## Hope to Retire One Day? Make Do These 3 Things

### Description

Would-be retirees have different expectations but one common goal – a good life in the sunset years. Some retirees are not satisfied with their lives as when they were working. Many pensioners found out that retirement life is tough. These [painful experiences](#) happened because the planning was haphazard.

If you're hoping to phase out from the workforce soon, will your preparations today make you 100% ready for that day? The following are three things you can do to give you the confidence to retire and make the transition successful.

### 1. Create a spending plan

Nothing is more significant to the prospective retiree than the budgeting process. Review your spending to see if it aligns with your income and financial goals. Create a spending plan to track the cash outflows and identify useless expenditures. The goal is to cut expenses, where possible, to free up some cash for savings.

### 2. Retire your debts

If you want to reduce overall expenses and have more money for retirement savings, aim for zero debt. Before retiring, retire your debts first. Prepare a debt repayment plan that will eliminate outstanding liabilities, especially high-interest credit cards. Do this crucial step in the years leading to your retirement date.

### 3. Supplement your pensions

Even if you're debt-free, you need additional anchors when you retire. Relying solely on your Old Age Security (OAS) and Canada Pension Plan (CPP) is a risky strategy. The pensions are 67% short of the average pre-retirement income.

The success of your spending and debt retirement plans should have resulted in more savings. See if you have saved enough, then start looking for potential income sources. Many Canadian retirees use dividends for retirement income. A prominent **TSX** stock is a known defensive asset that can pay dividends for the rest of your life.

## Nest egg builder

COVID-19 continues to destabilize the world order, including the financial markets. It's a never-ending barrage of warnings that [another stock market crash is coming](#). Risk-averse investors and retirees can mute all this noise and remain calm. A standout investment in face of the gloomy predictions is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

North America's leading regulated gas and utility company is a defensive asset you can own for decades. While some top dividend-paying companies have reduced or planning to slash dividends, the \$25.36 billion company is doing the opposite. Fortis promises an annual average dividend growth of 6% through 2025.

Management has the confidence to make such a promise for the following reasons: continued good performance of its utilities, growth in service territories, no regulatory obstacles, and successful implementation of its \$19.6 billion Five-year capital investment plan. More important, COVID-19 has no material impact on the business.

Fortis' current share price is \$54.59 (+4% year-to-date gain), the dividend is 3.7%. If you have \$75,000 in savings, it will generate \$3,000 in passive income. Hold the stock for 20 years and the capital will increase to \$164,334.24. Keep reinvesting the dividends to build a massive nest egg.

## A retiree's aspiration

Retiring is not only about enjoying more free time. Be concerned with your finances. Do those three things and your quality of life can be what it was before retirement.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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