



Couples in Your 20s: Here's How You Can Retire by 40!

Description

Many people working hard in their 9-5 gigs and other jobs who are barely tolerating their work secretly yearn for one thing: They want all their hard work to pay off so they can retire early. Retiring early is an ideal goal for many people.

If you are a young couple in your 20s, it is possible to work towards this goal and retire by the time you enter your 40s. We have all heard of the acronym: Financial Independence; Retire Early (FIRE).

Ultimately, FIRE comes down to the crucial aspect of accumulating a substantial nest egg and using it wisely to create financial freedom for yourself. If you are successful, you can use the technique to retire early. It can allow you to focus on all the things you have wanted to do in your life together but couldn't because you were too busy working hard for your income.

While I can't give you all the answers in a single article, I can show you a roadmap for FIRE and that you can achieve it.

Ramp up your savings

To retire early, you need a massive nest egg. The first priority for both of you should be to increase your income as much as possible while completely minimizing your expenses. Living below your means, no matter how much you earn, can help create a massive difference in your early retirement plan.

Try to boost your top line. It could range from anything like taking on extra shifts at work or additional part-time jobs. You can even leverage any skills you have to create a lucrative side hustle.

Keeping your expenses low is easier said than done. However, focusing your expenses on the three biggest living expenses, that is, housing, food, and transportation, can help you save more money. Increasing your savings rate and following a proper discipline can help you save a lot of money.

Invest your capital well

[Saving cash](#) and setting it aside is not enough if you want to retire early. You should make your money earn more income for you. Ideally, it would help if you considered investing in income-generating assets that can provide you with substantial returns. You should reinvest your returns to unlock the power of compounding and increase your passive income.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is an ideal income-generating asset that you can consider investing in for this purpose. Fortis is a Canadian Dividend Aristocrat that has been providing its investors with growing dividends for almost 50 years. Fortis is a reliable dividend-paying stock that can continue generating a stable and predictable income regardless of the economic landscape.

The utility operator has operations for power generation, electric transmission, and natural gas distribution in Canada, the U.S., and the Caribbean. Most of its income comes through regulated and long-term contracts. It means that the company can virtually guarantee stable cash flows that it can use to finance its increasing dividends.

Fortis is trading for \$54.60 per share at writing. At its current valuation, Fortis is paying its shareholders at a juicy 3.70% dividend yield.

Foolish takeaway

Investing in the stock can help you turn your savings into an income-generating revenue stream. Additionally, reinvesting your returns from Fortis through its dividends can help you increase the rate with which you grow your nest egg for early retirement.

Allocating some of your [Tax-Free Savings Account \(TFSA\) contribution room](#) to a portfolio of reliable dividend stocks can help you accumulate that nest egg tax-free.

Of course, FIRE is easier said than done. It might be quite challenging to stick to the method to save for your early retirement. However, pulling it off is possible if both of you devote yourself to it. I think Fortis could be an ideal stock to begin building a portfolio that can boost your early retirement fund.

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1. Dividend Stocks
2. Energy Stocks
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Date

2025/09/13

Date Created

2020/11/19

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