



Retirement Investing: Buy These Canadian Stocks

Description

When saving for retirement, there's no question that investing will go a long way to helping your money grow. It's possible to save money and never invest. However, it will be much more difficult, and it's highly inefficient, because your cash will constantly lose value to inflation.

So, for most Canadians, investing your capital before and during retirement will be key to having your hard-earned money last as long as possible.

When it comes to investing, there's, of course, always the risk that your capital can lose a tonne of value in the blink of an eye.

This is something nobody wants to see, but it would be even more devastating for those investors on the brink of retirement. The last thing you want to do is lose the majority of your investments, forcing you to retire on just Canada Pension Plan and Old Age Security payments.

Even though markets bounced back rather quickly during the last market crash, that doesn't mean that would be the case if markets sold off again. That's why it's important to always be ready for unexpected events. That way, you can make sure you're never forced to liquidate at exactly the wrong time.

Even if your savings are strong, and you're confident in the future, it's still important to have emergency cash and a recession-proof portfolio to make sure you never lose a significant portion of your savings.

Here is one of the top stocks for retirees.

Invest in utility stocks for retirement

It's common knowledge among investors that the older you get, the fewer risks you should ideally be taking. Young investors can take more risk, because if they are unfortunate and lose a major part of their investment portfolio, they have years to make back the money they lost.

As Canadians approach retirement, however, there is less time to recover from investing blunders. This makes it crucial that investors own high-quality, [low-risk stocks](#).

That's why utility stocks are among the top choices for investors near or in retirement. These companies are the stocks that are most similar to bonds.

Utilities are super-low-risk businesses that pay a major chunk of their income back to investors through dividends. That's why they are such a great choice for investors in retirement.

There are plenty of high-quality utilities to choose from, but the one that's most attractive today is **Emera** ([TSX:EMA](#)).

Emera is an electric and gas [utility stock](#) with operations in several jurisdictions. It mainly operates in Florida and Canada's east coast.

The stock has been a great investment throughout the pandemic. Not only has it seen very low volatility — something that's important to investors ahead of retirement. However, its business has also been minimally impacted by the pandemic as well.

This stability is key not only for operations today but also future growth potential. By staying on track with its long-term investment plans, shareholders can look for future growth from the utility company.

Emera's three-year capital plan promises to add a tonne of value for shareholders. Management expects it can drive growth at a compounded annual growth rate of 7.5%. That's significant growth for a stock that's also protecting your capital.

Bottom line

If you are nearing or in retirement, the investment decisions you make can have dire consequences. It's crucial you stay disciplined and find high-quality, low-risk investments to help grow your money.

Emera is a perfect choice. It's stable, has low volatility, can grow your capital consistently, and pays an attractive 4.7% dividend.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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Author

danieldacosta

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