



RRSP Investors: 3 Powerful Stocks to Buy for Your Retirement

Description

It's never too early to start preparing for your retirement. A lot of people put it off till they are just 10 or 15 years away from their retirement. Even if they invest aggressively in those last one or two decades before retirement, they might not be able to create a decently sized nest egg for a relatively affluent retirement.

No matter how much you are earning and at which career phase you are going through, you are likely to have access to the RRSP, which is designed specifically to help you save/invest for your retirement. Even if you can't fill it to the brim by contributing 18% of your income every year, you can still accumulate a decent amount of wealth in your RRSP by starting early and choosing the right stocks.

A banking stock

When it comes to banking stocks, the Big Five tend to be some of the first picks of most Canadian investors, but if you are willing to step out of that elite circle, **National Bank of Canada** ([TSX:NA](#)) is a great option. It has been a [powerful growth stock](#), especially in the last five years, and even though it hasn't captured as big a market as the constituents of the Big Five have, it still has a decent local and international presence.

The balance sheet is well balanced. The revenue dipped during 2020, but the bank has regained its pre-pandemic business/growth momentum. It's offering a relatively modest 3.23% dividend yield and a powerful 10-year CAGR of 13.2%, and even its 20-year CAGR is just under 10%. That's a sensible enough growth rate, and if the bank keeps growing at 10% a year for the next three or four decades, it can be a powerful asset in your RRSP.

A utility company

Emera ([TSX:EMA](#)) is a Nova Scotia-based electrical utility company that provides electricity to about 2.5 million consumers in Canada, the U.S., and the Caribbean (a total of six countries). It has about \$31 billion in a wide variety of assets (under different brands/companies). Its asset portfolio is

composed of power-generation assets, distribution infrastructure, and natural gas-distribution facilities. It has over 900,000 natural gas customers in Florida and New Mexico.

As a utility company with two different utility businesses and a geographically diversified customer base, Emera seems relatively safe for the long term. And it offers more than just long-term stability. Emera has a 10-year CAGR of 10.5% and is currently offering a juicy yield of 4.64%. You can either reinvest the dividends to turn it into an income-producing stream for later or use it to pile up cash in your RRSP.

A growth stock

If you want to add a powerful growth stock to your RRSP, **Boyd Group Services** ([TSX:BYD](#)) is a decent contender. The operating company controls five different brands and has one of the largest non-franchised collision-repair centres in North America. It means it hasn't diluted its central control of the company for the sake of expansion. It has a total of 705 locations in North America.

Most of the company's revenues are generated from the U.S., with only about 10-15% coming from Canada. The best part about Boyd's revenues is that almost 90% of it comes from insurance companies, with only 10% flowing in from retail payers.

While Boyd is a Dividend Aristocrat as well, its 0.26% yield might not make it enticing to you. But you should consider this stock for its growth prospects. Its last 10-year CAGR is 39.96%. That is an insane growth rate, but even if it can sustain half of it for the next few decades, it can practically [transform your portfolio's](#) growth.

Foolish takeaway

If you are considering buy-and-hold stocks for your RRSP, don't forget about diversification. Think long term. Some sectors might have a relatively bright future compared to others. Even the top performers of sectors with uncertain futures might be relatively risky picks compared to modestly growing companies of rock-solid sectors and industries.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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1. Editor's Choice

TICKERS GLOBAL

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2. TSX:EMA (Emera Incorporated)
3. TSX:NA (National Bank of Canada)

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