



1 Top TSX Stock to Help You Retire Wealthy

Description

It is safe to say that most people, if not all, would like to retire healthy, wealthy, and happy. It is one thing to dream about retiring with a lot of money, but another thing to take steps to achieve it. Unless you can make the moves that can help you become a wealthy retiree, you can't achieve the financial freedom you seek.

The most common problem associated with failure to retire wealthy is a lack of commitment. Remember that your actions will determine where you end up, and not just your intentions or dreams can help you become rich.

Canadian retirees have the luxury of capitalizing on the Old Age Security (OAS) and Canada Pension Plan (CPP) programs for retirement income. However, the pension plans are insignificant without a sizeable nest egg for your golden years. Today I will discuss a stock that could be a [long-term investment](#) for your portfolio to build a retirement fund to fulfill your dreams.

A resilient banking sector

The Canadian banking industry is considered one of the best worldwide. The 2008 financial crisis was a clear test that put global banking systems on the spot to see how resilient they are. Unlike most banks in North America and Europe, Canada's concentrated banking system proved to be quite resilient in the face of unprecedented economic challenges.

A single regulator was necessary to keep mortgage lending and investment banking operations in check, allowing Canada to avoid a banking crisis in 2008, unlike its American counterpart. Stability is the name of the game for the Canadian banking sector, and its robust system has been reliable over the decades.

A top TSX stock to retire wealthy

The **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is the biggest Canadian bank and an ideal

investment for long-term investors. The company has been paying its shareholders dividends since 1870. Its lengthy dividend streak combines with a compound annual growth rate (CAGR) of 8.51% in the last 48 years to make it an even more attractive investment to consider.

The [company's dividends are safe and sustainable](#), a hallmark for Canadian banks. The Royal Bank of Canada's payout ratio never climbs past the 60% mark, allowing the bank to comfortably finance dividend payouts to its shareholders. At writing, the stock is trading for \$121.14 per share and pays its investors at a juicy 3.57% dividend yield.

Foolish takeaway

All the major financial institutions in Canada increased their provisions for credit losses to unanticipated levels in 2020 amid the pandemic. However, all of the Big Six Canadian banks managed to exceed earnings estimates in the first quarter of fiscal 2021.

Except for insurance, all the banking segments for the Royal Bank of Canada reported outstanding income growth from the previous quarter. The bank's loan portfolio and credit quality have remained stable, and its overall net income during the quarter rose by 10% compared to the same period last year.

The bank's recovery from the claw back was a massive \$97 million. Suppose you want to create a portfolio that could help you retire wealthy and have cash available right now. In that case, investing in the Royal Bank of Canada as the foundation of your wealth growth portfolio could be an excellent way to achieve your financial goals.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/21

Date Created

2021/05/17

Author

adamothonman

default watermark

default watermark