



## No Retirement Savings? Get on Track With 2 Safe Stocks

### Description

The survey results released by **BMO** Financial Group in May 2021 regarding the financial situations of Canadians showed that two-thirds, or 69%, are setting financial goals. About 58% of respondents are also saving for retirement. Because of the pandemic, people are taking the proper steps towards securing their [financial future](#).

However, I would suppose that 42% are without retirement savings or have yet to prioritize retirement planning. Don't feel discouraged if you belong to this group. You can still get on track to establish a sound financial foundation or build enough buffer, at least if you're a few years away from retirement.

The first step is to follow what 63% of the respondents are doing. They contribute to savings every month. Moreover, 36% say they're saving from every paycheck. Avoid spending more than you should or make impulse purchases. Otherwise, you worsen your financial situation.

Once you've established the habit and freed up more cash, [start investing](#). Your money can compound and create a steady income stream in retirement. **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **Canadian Utilities** ([TSX:CU](#)) are [safe dividend stocks](#) for long-term investors.

### High-yield bank stock

Scotiabank is one of the Big Five banks and, therefore, a rock-solid investment. The \$98.32 billion bank is the third-largest lender in Canada, but it pays the highest dividend (4.44%) in the prestigious group. Also, market analysts forecast a 17.3% price appreciation, from \$81 to \$95, in the next 12 months.

Now is the perfect time to invest in Scotiabank. At the close of Q2 fiscal 2021 (quarter ended April 30, 2021), its excess common equity tier 1 (CET1) capital is \$5.2 billion. Management needs to find ways to deploy the massive cash surplus. Besides ploughing the money back to existing businesses, Scotiabank can increase dividend payments and do share buybacks.

In the most recent quarter, the positives for the bank were as follows:

- Lower expenses
- A marginal rise in the loan portfolio
- A dramatic decrease in provision for credit losses (PCLs)

As a result, Scotiabank's adjusted net income soared 85.5% compared to Q2 fiscal 2020.

## Longest dividend-growth record

Many veteran investors consider utility stocks as a proxy to income because most are recession-resistant and defensive assets. If you're starting to save, Canadian Utilities is the logical choice. Since your focus is growing your retirement fund, it would help if this \$9.28 billion company was your anchor stock.

Canadian Utilities is a dividend all-star and Dividend Aristocrat owing to 49 consecutive years of dividend increases. The impressive track record alone reflects its reliability as an income provider. **Fortis**, **Brookfield Infrastructure**, and **Emera** are among its formidable peers, although Canada Utilities can hold a candle to them.

The utility company derives 95% of its earnings from regulated sources, while 5% comes from long-term contracted assets. Hence, the balance sheet is strong and cash flows are stable, if not predictable. As of July 3, 2021, the share price is \$34.17 (+12.18% year to date). More importantly, the dividend yield is a generous 5.15%.

## You're not too late

Don't panic over the lack of retirement savings, because you still have time to catch up. If finances allow, start your journey to retirement wealth. With the TSX's eye-popping performance in 2021, the landscape is conducive to investing. Whether you invest in Scotiabank, Canadian Utilities, or both, you have a solid game plan.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CU (Canadian Utilities Limited)

### PARTNER-FEEDS

1. Business Insider

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

### Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

### Date

2025/08/24

### Date Created

2021/07/06

### Author

cliew

default watermark

default watermark