4 Stocks Is All You'll Need to Retire Wealthy

Description

Some Canadians retire wealthy because of inheritance or transfer of wealth by parents or relatives. Unfortunately, the majority have to work at it to have ample resources besides the pension when they retire. However, retiring wealthy on a normal person's income is possible.

If you've been setting aside a portion of income, pay yourself forward. Start the journey to riches by investing the money to earn more and retire with a fortune. You need only four dividend stocks for money growth and a steady income stream in retirement.

Big bank stock

Canada's Big Banks are among the preferred investment choices of income investors. The **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM), the country's fifth-largest bank, is a superb choice today. Apart from its 153-year dividend track record, this $66.92 billion bank pays a 3.95% dividend.

The total return in the last 48.88 years is 19,966.51% (11.27% compound annual growth rate). Thus far, in 2021, CIBC outperforms the broader market year-to-date, +41.16% versus +21.54%. Moreover, the stock's performance mirrors the bank's financial performance in fiscal 2021.

CIBC's net income after three quarters (nine months ended July 31, 2021) grew 80% to $5 billion versus the same period in fiscal 2020. Similarly, it's the only Big Bank that reported more than 300% net income growth in Q2 fiscal 2021 versus Q2 fiscal 2020.

Energy sector

Imperial Oil (TSX:IMO) pays a modest 2.31% dividend, but the payouts should be safe for decades. The dividend track record is over one century too (140 years), and management has increased the dividends for 26 consecutive years. Energy is the top-performing sector on the **TSX** this year, with its +73.01% gain.

At $42.97 per share, IMO is up 81.92% year to date. In Q2 2021, the $30 billion oilsands producer recorded the highest second-quarter production ever in 25 years. Management's planned turnaround activities were successful, as evidenced by the $758 million net income in the first half of 2021. Its net loss in the same period last year was $714 million.

Well-entrenched food retailer

North West Company (TSX:NWC) is a reliable income provider. Performance-wise, the stock's total return in the last two decades is 4,768.12% (21.42% CAGR). The share price is $33.61, while the dividend yield is 4.36% if you invest today.

Furthermore, the $1.63 billion company is 353 years old and well-entrenched in hard-to-reach communities and urban neighbourhoods in Canada, Alaska, the South Pacific, and the Caribbean. This food retailer also offers general merchandise, financial, air-based transportation, and virtual pharmacy services.

Consumer staple

Sugar is a low-growth business, but since it's a consumer staple, it's an enduring one. With this competitive advantage, **Rogers Sugar** (TSX:RSI) is a buy-and-hold income stock. Its share price ($5.61) is the cheapest ($5.61 per share) among the dividend stocks in focus. The dividend yield, however, is the highest (6.44%).

Rogers experienced a downturn in 2020 due to lower consumer retail volume (sugar and maple). In 2021, sales have vastly improved. After three quarters, revenue, volume, and net earnings growth were 6%, 5%, and 40%, respectively, compared to the same period in 2021.

A $500,000 nest egg

The starting point to building retirement wealth is setting aside money early on. Use the accumulated savings to purchase four dividend stocks to form a well-diversified portfolio. A $217,200 investment equally distributed will compound over half a million dollars in 20 years.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

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1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:IMO (Imperial Oil Limited)
4. TSX:NWC (The North West Company Inc.)
5. TSX:RSI (Rogers Sugar Inc.)

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Date
2025/07/03
Date Created
2021/10/22
Author
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