



2 Top Stocks to Buy for Early Retirement

Description

It's no secret that older Canadian citizens are finding themselves working for longer before they can retire so that they can financially secure themselves for their golden years. With the average retirement age now at 64, it is not an ideal situation for most Canadians.

Many Canadians feel like early retirement is a pipe dream considering the constantly rising living costs and uncertainty in the economy. Early retirement is possible if you have a decent timeframe of around 20 years, a disciplined approach, and the right plan to invest your money for [decent long-term returns](#).

What you need to retire

Canadian retirees enjoy the benefit of getting retirement income through the Old Age Security (OAS) program and the Canada Pension Plan (CPP). However, these two pension programs are designed to cover only around a third of your total retirement income requirements. Proper retirement planning requires creating an investment portfolio of income-generating assets to supplement your pension income to fund your retirement.

[Dividend investing](#) is one of the best methods to secure another revenue stream to help you make the most of your retirement. Today, I will discuss two Canadian dividend stocks you can buy and hold for decades as part of a successful retirement plan.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is one of the largest telecom companies operating in Canada. The \$57.36 billion market capitalization telecom giant has been leading the industry for years and is well-positioned to maintain its dominance for many more years to come. The imminent 5G revolution will provide the telecom sector a massive boost to its revenues for years to come, and BCE is already gearing up to capitalize on the trend.

A solid retirement plan requires allocating your capital to investments with the potential to deliver

reliable long-term returns. BCE stock possesses that potential, operating in a resilient industry that could make it a safe investment for decades. The rising popularity of 5G services could also provide it with a significant boost to its revenues that might see it increase its shareholder dividends for years to come.

The stock is trading for \$63.33 per share at writing and boasts a juicy 5.53% dividend yield. It could be the perfect time to invest in its shares as it trades for a 5.41% discount from its all-time high in September 2021.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is another long-term investment that could be ideal for investors who want to build an investment portfolio that can aid their early retirement plans. Utility businesses like Canadian Utilities do not offer the excitement of rapid capital growth that can come with tech stocks or even with telecom providers. However, the industry boasts the kind of stability you can't find elsewhere in the stock market.

Electricity utility services are essential to every individual and industry. Regardless of what happens in the economy, people are unlikely to discontinue using utility services to cut costs. The necessary nature of its services puts Canadian Utilities in a comfortable position to continue generating reliable cash flows for years to come. The company can use its cash flows to fund its shareholder dividends.

The company is a Canadian Dividend Aristocrat that has increased its shareholder dividends for the last 27 years. At writing, Canadian Utilities stock is trading for \$34.81 per share, and it boasts a juicy 5.05% dividend yield.

Foolish takeaway

Early retirement is much easier said than done, but it is not impossible.

Provided that you can create a solid retirement plan and have enough time to follow through with it, it is possible for you to retire earlier than the average retirement age in Canada.

If you want to [create an investment portfolio](#) that can help you achieve your goal for early retirement, BCE stock and Canadian Utilities stock could be ideal assets as the foundations for such a portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CU (Canadian Utilities Limited)

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