



## No Savings? Try These 3 Steps to Grow Your Nest Egg

### Description

Retirement worries have escalated due to the uncertainties brought by the COVID-19 pandemic. Soon-to-be-retirees with no savings suddenly feel the need to secure their financial futures. Fortunately, it's not yet the eleventh hour if you're a few years away from retirement.

The Canada Pension Plan (CPP) and Old Age Security (OAS) are your [foundations in retirement](#). However, it would be best to supplement the pensions. Follow three steps to grow your nest egg and ensure a problem-free retirement.

### 1. Start saving money

Start by actually saving money. Leverage your income by setting aside a portion for retirement savings. Allocations per individual vary, although they must be consistent. But since the CPP and OAS don't replace more than 50% of the average pre-retirement income, retirement experts suggest filling the income gap.

### 2. Clear your debts

Debts prevent people from saving, but if you have the opportunity to deal with them soonest, do so. You can free up your budget and have more cash once you clear your debts. Furthermore, avoid obtaining new ones, or else it could set you back by months or even years.

### 3. Utilize available investment accounts

Utilize available investment accounts like the Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP). Both accounts are also tools to shelter or save on income taxes. Contribute regularly if possible because it harnesses the power of compounding.

## Anchor stock

Most TFSA and RRSP account holders won't store cash but instead, use their savings to purchase [dividend stocks](#). Balances grow faster if you reinvest the dividends and not touch the principal. Your money would compound over time with less effort on your part.

A bank stock of choice in Q4 2021 is the **National Bank of Canada** ([TSX:NA](#)). Canada's sixth-largest lender continues to impress this year. After three quarters in fiscal 2021 (July 31, 2021), net income is \$2.4 billion. The growth from the same period last year is 51%.

In Q3 fiscal 2021, its U.S. Specialty Finance and International segment posted the highest increase in net income (+85%) versus Q3 2020. The rest of the business segments, such as Personal & Commercial (+48%), Wealth Management (+30%), and Financial Markets (+21%) made significant contributions to the bottom line.

Regarding stock performance, National Bank outperforms the Big Five banks. At \$103.54 per share, the year-to-date gain is 47.91%. The Bank of Montreal is second with +44.01%. Last, the \$34.38 billion bank pays a 2.74% dividend.

## More income support

A cheaper option but a high-yield stock is **Fiera Capital** ([TSX:FSZ](#)). The current share price is \$10.72, while the dividend yield is 7.84%. Any investment amount will double in a little over nine years. Also, \$150,000 worth of shares can produce \$11,760 in [passive income](#).

The \$1.11 billion independent asset management firm offers customized multi-asset solutions to financial intermediaries, institutional and private wealth clients. As of June 30, 2021, its assets under management (AUM) stand at \$179.5 billion. Fiera incurred \$2.3 billion in losses in the first half of 2020. However, business is thriving again, as evidenced by the \$36.8 million net earnings after two quarters in 2021.

## Act to catch up

Building a substantial nest egg takes time. However, it's not too late to catch up. Start saving money consistently today, then invest in assets that can grow it faster.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)
2. TSX:NA (National Bank of Canada)

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