3 Investing Mistakes Keeping You From Retiring Rich

**Description**

Every Canadian, young or old, should have plans in place for retiring. But there are still some strategies many Canadians are missing out on, or investing mistakes they're making to keep them from retiring rich.



The problem is, younger investors don't put as much effort into a retirement portfolio. Meanwhile, older investors may tend to be too cautious. Furthermore, there are mistakes practically every investor makes time and again that are cutting away at your retirement fund.

So let's look at three of those investing mistakes, and how to solve them.

## 1. Ignoring commission fees

Commission fees occur every single time you make a trade on practically every single trading service. Whether it's banks or a trading platform, these commission fees usually end up at around $10. That's $20 every time you buy and then sell a stock. And it leads to one of the worst investing mistakes.

Not that much in the short term, and maybe not for already rich investors. But if you're an investor just getting started, or one that doesn't have much cash on hand, then you want to make every penny count. So there are two things I'd recommend here. First, don't buy and sell often as this creates a huge amount of commission fees. Then, consider exchange-traded funds. These are like buying an entire portfolio in one, reducing your commission fees by only buying once.

## 2. Taking on zero risk

This is one of the worst investing mistakes for Canadians looking to retire soon. They don't want to risk losing their investments for retirement, so they take on zero risk. But I have a few problems with this method.

First, unless you're planning to take out every single penny you have in investment once you retire, you'll still want something in your portfolio. As the average Canadian lives to be in their 80s, and retires sometimes in their 60s, that's 20 years of growth! That means you have plenty of space to make an investment and see it through.

Furthermore, some of those riskier options can create massive returns in the short term. So you certainly don't want to miss out on something out of fear. Instead, get greedy. Start with a small stake, watch it for a few months, and then add to it once you're more comfortable. That will keep you from making this investing mistake.

## 3. Starting too late, and not seeking help

On the flip side, there are those investors that decide they don't need to even think about retiring until a few years beforehand. But this is a terrible idea. The earlier you start, the better. If you're a 30-year-old, you can have something like 35 years of growth. That means even if you put $5,000 aside and saw it grow by 7% each year, you could have almost $200,000 by the time you retire. And that's without investing another dime!

This also goes for people wanting to retire in the next decade or so as well. You need to get on this as soon as possible and meet with a financial advisor often to achieve your goals. That's another mistake Canadians continue to make. They don't meet with an advisor soon, and often. If you're part of a bank, these are free services to keep you on track. So it's definitely recommended for everyone. Young or old, rich or poor.



## Bottom line

These are simple, easy solutions to long-term problems that can seriously dig away at your retirement fund. Canadians wanting to retire rich need to put aside each and every penny they have. That means not wasting a cent on commission fees, having some tolerance to risk, and starting with a financial advisor as soon as possible.

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