



Millennials: Retire in 10 Years With These Tips

Description

Millennials are going through a lot right now, with salaries that continue to remain stagnant, inflation rising, and home prices almost completely out of reach in most places across the country. Yet I'm here to tell you that it's possible to [retire](#) within a decade with these tips.

I'm not lying, but I *do* mean it's possible to live a retirement lifestyle. After all, I'm not saying you're never going to need to make any more cash in a decade. It's important to note that will have to Canadians move to a different lifestyle of living, where their income isn't coming from working a nine-to-five job anymore.

So, millennials, how can you live this dream and make it a reality? Here's how to start.

Budget, budget, budget

Millennials are actually quite good savers. And it's clear why. They were born into a recession, entered the job market or university during the Great Recession, and are now faced with another economic downturn on *top* of a pandemic. So, saving is kind of second nature to most by now.

That's especially as more and more attend university; it's become necessary to save for these rising costs. Millennials hold an average of \$27,000 in student debt, according to Statistics Canada, when they graduate. And that could rise, as they try to find a suitable career.

And that's why before you make any major moves, it's important to budget. A great move you can make is by meeting with your financial advisor. They'll help you come up with goals and ways to achieve those goals by starting to make savings and identifying cost cuts.

Compromise

Cuts will become important if you want to live a retirement lifestyle in a decade. But here's the thing: most millennials continue to live in major urban centres — *expensive* urban centres. And why?

Because that's where their job is.

But ask yourself, is that *really* where you want to live? Sure, your family may be close, but Canada is such a large country! By moving just two hours away, you could bring your costs down by a significant amount. For example, in Toronto, the average cost of living is about \$5,000 per month for a family of three. That includes rent, groceries, preschool — all of it. Move to St. Catharines just an hour and a half away, and that drops to about \$3,000 per month.

Moving really is the best way you can make some significant headway in retiring within a decade. You lower your costs significantly, but the question now is, what can you do for work? Luckily, the work-from-home movement from the pandemic hasn't left. It's highly likely you can work from home in many new positions and even commute once or twice a week if need be.

Invest!

Of course, the fastest way you're going to reach that retirement lifestyle is by [investing wisely](#). Let's say you take my advice: you cut costs and move. You now have \$2,000 in savings each month, and you've cut back your budget. If you're making around \$50,000 per year and spending \$3,000 a month, you could have around \$10,000 (after incidentals) to invest. That's a total of \$16,000 to invest each year.

If you have that amount, I would look for safe stocks with high dividends. Millennials would do well to invest in **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), as it offers a high dividend, the security of a Big Six bank, and a cheap share price trading at 9.72 times earnings.

Based on historical data, if you invest \$16,000 each year in CIBC stock, reinvesting dividends along the way, you could have \$388,000 in a decade in your portfolio! If you continued to just reinvest dividends after that, within another decade, you could have \$1.4 million!

Bottom line

If you're one of the lucky millennials that have \$16,000 to invest each year, look at what it can accomplish. If not, you can certainly make your way to early retirement. After all, we only live one life. Shouldn't you live it based on what *you* want and not merely on a job requirement?

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