Article Side
Make passive income through dividend after retirement by Isol

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In Singapore, there are many investors who place their money in Singapore dividend stocks after retirement. However, I have observed that the majority of stock investors know very little about stock investment. To clear the concept of stock investment, let me share with you some common tips for retired investor.

Benjamin Graham said that the investor â€œwill do better if he forgets about the stock market and pays attention to his dividend returns and to the operating results of his companies.â€• We know that an investment strategy is a substantial and growing cash flow via dividend and interest income can be an attractive solution for retirees who are trying to balance present income needs with future purchasing power.

One thought which comes in mind that all investors ask themselves is how much money I need in order to be able to retire. There are many ways that could help retirees generate enough cash in retirement.

The concept is relatively simple and involves rules:

1) Accumulate a certain amount of money.

2) Invest that money regularly in quality companies that pay a dividend.

3) When the dividends from these income stocks exceed your expenses you are financially independent.

With SGX dividends, retired investors know exactly when to expect a return on their investment. This makes planning for retirement expenses much easier. In addition, Singapore dividend payments do not fluctuate as much as the prices of common stocks. As a result, investors in dividend paying stocks receive a form of income which is stable, reliable and is deposited in your account at predictable intervals of time. In addition, because best dividend stocks Singapore represent ownership in actual businesses, they can afford to raise distributions at or above the rate of inflation by simply passing on rising costs to consumers. This provides an inflation adjusted stream of income for retirees.

The right retirement income strategy depends on your age, desired income, and tolerance for market risk. Here is a list of numerous retirement income strategies to mix and match. Take the time to learn about all of them before building a retirement income plan of your own.

1.Certificates of Deposit and Other Safe Investments

2.Extend Bonds

3.You gain stock dividend income

4.High amount of initial income generated.

5.Systematic Withdrawals from a Balanced Portfolio

6.Immediate Annuities (Guaranteed lifetime income)

7.The Income for Life Model

8.Variable Annuity with Guaranteed Income Feature

9.A Retirement Asset Allocation to Generate Maximum Lifetime Income

One of the best benefits of dividend stocks is that some have an average annual yield of 5%, most with a dividend yield of 3% to 4%, which is more than government bonds and other fixed income securities.

Here are a few tips to help you get there.

â€¢Start as early as possible â€“ Time is the most important thing when you start investing. Starting early investment allows you the power of compounding interest and dividends.

â€¢Pay yourself first â€“ Set point to the side of money specifically for dividend stocks in your budget and make that a top priority before you pay for other items from your budget.

â€¢Make your dividend investing automatic â€“ DRIPs are an excellent way to consistently invest each month a specific dollar amount on a set day of the month or even multiple days of each month.

â€¢Reinvest your dividends â€“ One of the best ways to continue growing the number of shares that reinvesting the dividends. Historically, reinvested dividends contribute a healthy portion of the stock marketâ€™s historic return.

â€¢Continue to add to your positions â€“ You should continue to look for new dividend paying stock to invest in when the opportunity arises.

These methods will give you the best opportunity to get a passive income through your dividends. For retirees, dividends are the life blood of their investment portfolio. While growth in the value of the portfolio is important in order to keep pace with inflation, it is the steady stream of dividends which pays the bills. Even though you are not a retiree, you still like dividends because along with your regular savings, they provide you cash for further investments without the need to sell existing ones.

Paul Clitheroe said that, "Invest in yourself make your career is the engine of your wealth."

In other words I would like to say that the world of investment is cool and hard. But if you do thorough research and keep your head on straight, your chances of long-term success are good.

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