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Buying Dividend Stocks To Retire

One way to create some passive cash flow is by investing into stocks that pay good dividends. In fact there are some people who actually live off of the dividends.

So, what are they? What are [dividend paying stocks](#) and how can they make you a cash flow from the stock market? Many companies will pay out some of their earnings to their stock holders. What this means is that each individual who invest in the company gets their own share of the earnings.

However before you just go out and get a [list of dividend paying stocks](#) to buy, there is one big problem with this strategy. Even if you invest in very stable companies that does not change the fact that it takes a lot of money to make money.

If you find a group of stocks that are each paying out 3 8% in dividends per year imagine how much money you would need to make any reasonable amount of income from it.

There is only one way to retire purely by dividends and that is to have a lot of money to invest. But there are a few things you can do to make it a little easier to make a living from income investing.

One method is to start [writing covered call](#), this allows an investor to make a much higher return on their money, in exchange for taking on the risk of being called out. When done right it can aid your income from a stock.

Only buying strong companies that make great investments is another thing you can do. It takes a lot of money to live off of dividends and investing in strong companies can be a great way to grow your money over the long term.

By investing in great undervalued stocks you can grow your money over time and eventually if you keep saving and keep investing you may be able to live off of the dividends that you are receiving.

There are a lot of people who live off of dividend producing stocks, so it is not an impossible dream, but it may take time to get to that point.

Tags: [investing in dividend stocks](#), [Retiring With Dividend Stocks](#)

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