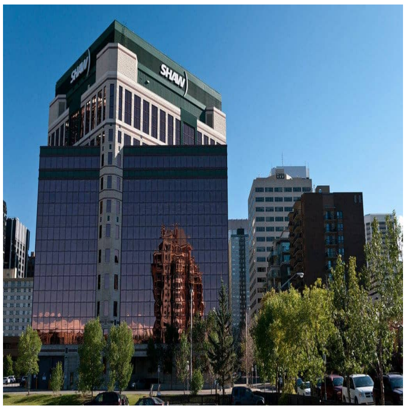

Retired But Don’t Want to Give Up Growth? Here’s a Safe, High-Yield Growth Stock to Consider

Description

As a retiree, you’re encouraged to minimize risk by investing in conservative, stable securities with relatively high dividend/distribution yields. You’re probably heavily exposed to bonds and high-payout businesses like REITs, utilities, and telecoms. These stocks pay incredibly stable streams of income, but they’re boring and growth is usually meagre!

As a retiree, it can seem like you’re putting your portfolio on cruise mode with the selection of slow-growth, high-income securities. Some retirees opt to give themselves raises by selecting stocks with higher dividend yields, but what if you’re an investor who’s still hungry for a level of growth that can only be offered by market disruptors? Is there any scenario that allows retirees to safely invest in growth stocks? Or are they solely meant for younger investors who are a decade or more away from their expected retirements?

There’s a huge thrill that comes with investing in growth stocks, but as a retiree, you sacrifice near-term income and take on a considerable amount of risk — a lot more than a younger investor would. So, what should you do? Should you forget about the idea of investing in higher-growth names completely?

If you’re a growth investor at heart like I am, then you probably don’t want to follow the recommended retiree portfolio strategy — although you should, but everybody’s different, right?

It would be a prudent decision to allocate a majority of your portfolio to such retirement-friendly, high-yield securities; however, if you’re keen on growth, there are stocks out there that can offer you next-level growth while still being suitable to own for a retiree who’s looking to minimize risk.

Here’s one such stock:

Shaw Communications Inc. (TSX:SJR.B)(NYSE:SJR)

Shaw currently has a 4.14% dividend yield, which is enough to satisfy most income-oriented retirees. Telecoms are generally known as capital-intensive businesses with little room for growth; however, Shaw is a different beast.

It has been aggressively investing in its wireless infrastructure with the intent to disrupt the Big Three telecom incumbents with a more affordable, and nearly as reliable, wireless service of its own.

The Big Three wireless incumbents have enjoyed an oligopoly with favourable conditions, a lack of real competition, and rock-bottom interest rates for far too long. This is about to change in the years ahead, and this, I believe, is a gigantic opportunity for Shaw to turn the Big Three into the Big Four.

Shaw has a tonne of room to run, and it's going to be interesting to see how Shaw will grow to disrupt the other telecoms. I'm confident Shaw will capture a huge chunk of Canadian wireless users over the next five years, and it'll be coming from the Big Three players. That means a lot of capital gains to go with dividend raises down the road.

If you're going to invest in Shaw, don't expect Freedom Mobile to start stealing subscribers overnight. I believe it'll take years of switching users before Shaw is really considered a Big Four major player. Shaw has taken all the right steps, and I believe the market isn't giving the company credit for the infrastructure expansion and improvements that were made.

Buy Shaw, hold it, and patiently collect that fat dividend yield while you wait for the company to disrupt its competition in a major way. The business is a great way to inject growth into your retirement portfolio without taking on a substantial amount of risk involved with typical "growth" stocks.

Stay smart. Stay hungry. Stay Foolish.

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