

## How to Invest in a Way That's Meaningful to You

### Description

You can make your investment experience more meaningful by focusing on your goals. They give you a purpose to save and invest, and you'll have a better idea about your investment horizon, the amount you need to save, and the rate of returns you need.

Here are some examples:

#### Invest for your vacation

If you're saving up for a vacation a year later, you probably don't want to put that money in stocks, because stock prices can go up or down in the short run according to the whims of the market.

Therefore, choosing guaranteed investment certificates (GICs) or a high-interest savings account is a good way to go. Most of your vacation fund will have to come from your savings.

If you're saving for a big vacation several years down the road, it could be worthwhile to explore stable dividend growth stocks, which offer nice yields and are [priced at good valuations](#). **TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) is a good fit for that description.

TransCanada is an energy infrastructure company that generates stable earnings and cash flow, which have supported a growing dividend for 17 consecutive years.

TransCanada's five-year dividend growth rate is ~7.3%. Its recent dividend growth rates have picked up the pace, which is a positive sign. This year and last year, TransCanada hiked its dividend north of 10%. The company offers a juicy ~5.2% yield, while **Bank of Nova Scotia** analysts estimate that its payout ratio will be under 62% this year. So, the dividend is safe and should continue growing.



## Invest for your down payment

TransCanada is also a good fit for investors with a longer-term investment horizon. For example, if you're saving for a down payment five years or longer down the road, you may be aiming for a \$400,000 apartment with an +\$80,000 down payment (at least 20% of your home's purchase price). So, you won't be obliged to take out mortgage insurance and save money. To get to +\$80,000 by the end of year five on a return of 10% per year, you'll need to invest ~\$1,050 per month, or ~\$525 split between two people.

At ~\$53 per share, TransCanada stock is priced at a reasonable valuation, and it could very well deliver an annualized return of 10% for the next five years, if not higher.

## Invest for your retirement

TransCanada can also be a core holding for your retirement portfolio with its A-grade balance, a juicy dividend yield, and a dividend that management aims to grow 8-10% per year for the next few years. The recent dip offers a good entry point for TransCanada.

## Investor takeaway

Before you invest your hard-earned money, think about what you're investing for. If you're investing for the medium to long-term, you should explore stocks with similar traits as that of TransCanada.

Specifically, look for [quality stocks](#) with a strong balance sheet, a decent dividend yield, and a dividend that's growing at least 6-8% per year, so the income generated by your investments can outpace inflation and help you achieve your goals faster.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:TRP (TC Energy Corporation)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
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