



Income Investors: Get Rich and Make a Difference With Alternative Energy Stocks

Description

We're entering an era where [ESG](#) (environmental, social, and governance) investing is becoming increasingly important, especially among millennial investors, who've decided that they want to make a difference in the world, starting with how they allocate their capital to corporations.

While there are profitable Canadian oil sands firms that have made the extra effort to be more environmentally responsible by pledging to invest in rejuvenation efforts (leaving the Earth as it was found), the fact of the matter remains that it's going to take a lot more than planting a few trees and paying carbon taxes to the government to undo the environmental damage caused by the extraction process. And like it or not, that oil's going back into the atmosphere!

Although energy firms are desperately trying to shed their environmentally unfriendly stigmas to better cater to ESG investors, I do not doubt that a majority of these investors are going to take a pass on the fossil fuel firms in spite of any "make-up" efforts they may have up their sleeves.

Younger investors, millennials, in particular, will stand to value ESG investments higher than their non-ESG counterparts, even if the underlying fundamentals are identical. Over the next few years, as millennials have more wealth to invest, alternative energy names like **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) are likely to have a growing premium over your average non-renewable security that'll trade at some par value. And fossil fuel firms, even the best-in-class ones, like **Suncor Energy**, will probably trade at a discount versus the broader market based on the environmentally unfriendly nature of its industry.

Millennials are driving change, and they're going to use their pocketbooks to do so. As a profound amount of wealth is passed down from them by their Baby Boomer parents, look for the trend of ESG investing to continue surging. They can enrich their portfolios, and the proceeds can help save the world in the process.

Now, I know this is going to sound glib. But you can save the world by investing in specific securities, especially if you're a young retail investor who's only got a couple of hundred dollars to put to work. But every dollar that you invest and every penny you pledge to reinvest will make a bigger difference than

you may think (compounding and aggregate movement of capital into ESG names).

Moreover, ESG names like Algonquin aren't as exposed to exogenous factors like the price of oil. So, liquidity isn't going to be an issue if an unexpected collapse in commodity prices happens out of the blue. That means you're getting a stable dividend payout (4.9% at the time of writing) to go with ample growth from compelling renewable projects in the domestic and foreign markets.

Simply put, you can [get rich while you feel rich!](#)

Foolish takeaway

By putting your hard-earned dollars into a renewable company like Algonquin, you're doing your part to help push the transition to sustainable sources of energy. You're exposing yourself to a lesser degree of risk and a more predictable runway for growth. In addition, you're on the right side of a trend (growing popularity of ESG investing), and that's always a smart idea, especially if you're in it for the long haul.

Stay hungry. Stay Foolish.

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