



Who Wants to Be a Millennial Millionaire With Non-Cannabis Stocks?

Description

As a millennial, you're a young investor who has time on your side. You may not have the same amount of capital as an older investor, but if you leverage time effectively, you can create a profound amount of wealth through the power of compounding.

While some may argue that you should be taking all the risks you can as you have all the time in the world to make up the losses from high-risk investments gone wrong, I'd argue that excessive risk-taking and speculation are much more harmful to a young person when you consider the opportunity costs at stake.

Losses in the early stages of an investor's career are much more painful when you consider the decades worth of compounding that the lost capital would have had if it were invested more prudently.

Regarding retirement planning, losses in your twenties are amplified significantly when you consider its future value, even given a modest rate of return.

In a [previous piece](#), I showed young investors how easily (and realistically) they could become TFSA multi-millionaires with a simple, disciplined investment strategy that didn't require any sort of extreme budgeting. It sounds far-fetched, but it's not. That's how unfathomable the [real power of long-term, tax-free compounding](#) can be.

You don't need to plunk your money on speculative, high-flying cannabis names to become rich. You already have the time, so you should take a Buffettarian approach and go with smart investments with favourable risk/reward trade-offs.

A boring retiree investment like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is good enough to provide today's young investor with a means to build a substantial amount of wealth and the ability to retire well ahead of schedule. When you reinvest every penny of the growing dividend, you'll get well on your way to building a large nest egg, and it doesn't matter how many recessions happen between now and your expected retirement date.

Sure, Fortis is a boring stock that appears catered for retirees. But if you're a serious young investor

who isn't interested in gambling on cryptocurrencies, marijuana or tulip bulbs, Fortis is an incredible vehicle that can make you wealthy without causing you to lose an ounce of sleep.

Fortis is the anti-cannabis stock or the anti-Bitcoin. And contrary to recent moves (and popular belief), it's the security has more to offer than meets the eye for today's young investor.

Foolish takeaway

Invest, don't speculate. Seek excess risk-adjusted returns, not the greatest return potential in the shortest time span.

Everybody wants to get rich quick, but nobody knows how to do it without risking their shirt — not even Warren Buffett knows how to get rich quickly! He does know how to get rich slowly through compounding, however. So, follow in his footsteps, rather than following the rest of the herd who may lead you and your capital right off the edge of a cliff.

You don't need speculative plays in your TFSA because if you take a loss, you're taking a one-two punch to the gut. You won't be able to offset future gains, and you'll lose many decades worth of compounding.

Stay hungry. Stay Foolish.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Date

2025/07/20

Date Created

2018/10/04

Author

joefrenette

default watermark

default watermark