Millennials: These 3 Dividend Stocks Will Make You Rich

Description

Millennials can no longer claim to be the youngest members of the workforce. In fact, most of that massive generational group can now attest to being in their 30s, so following the wise and often-repeated advice of starting to invest early, there's no time like the present to begin thinking about retirement.

Bearing that mind, here are a few investments that will help grow your savings into a sizable retirement fund.

One of the biggest shifts in the market place over the course of the past decade has been away from fossil fuels towards renewable energy. Renewable sources have finally erased their previous stigma of being seen as inexpensive and inefficient, and a slew of renewable options have emerged from large-scale farms that can power thousands of homes down to portable solar units that are increasingly seen on rooftops across the country. There's an immense opportunity to be realized in that renewable energy sector, and **TransAlta Renewables** (TSX:RNW) is a name that every investor should know and strongly consider.

TransAlta is a long-established titan in the renewable energy sector, with 34 different facilities located in Canada, the U.S. and in Australia, providing a generating capacity of over 2,400 MW. The facilities are diversified across wind, hydro, solar and gas elements, and are subject to long-term contracts that stipulate the amount of power to provide and how much TransAlta is to be compensated for providing that utility. The contracts run several decades in duration, leading to a recurring and stable source of revenue.

That revenue is then passed on in part to investors in the form of a monthly dividend that currently pays out an incredible yield of 7.36%, making TransAlta the perfect pick for long-term investors looking to buy today and become rich over time.

Laurentian Bank (TSX:LB) is not considered one of the Big Banks, but absence from that group should in no way be seen as a reason to bypass the stock as the investment opportunity that it is. Let's start by addressing the elephant in the room. Laurentian had a dismal quarterly update recently with net income of $40.3 million, or $0.88 per diluted share coming in sharply lower than the $59.7 million, or $1.41 per diluted share reported in the same period last year. Then again, just about every bank recorded a dismal quarter when compared to the previous year.

Worth noting is the point that Laurentian is in the midst of a transformation that includes increasing profitability, reining in costs, and utilizing technology to help in that regard. Management has highlighted 2022 as the year the bank will match the performance of the Big Banks.

We might be a few years out from that happening, but today the bank trades at a very attractive P/E of just 9.01 and offers investors a very appetizing dividend that pays out an incredible 6.44% yield. Adding to that appeal is the fact that Laurentian has maintained better than annual hikes to that dividend stemming back nearly a decade, and has provided investors with no less than six hikes in the past three years.

Laurentian might not appeal to every investor, but if you’re a long-term investor with an appetite for risk, this may be the way to kick start your portfolio off to a good start.

Inter Pipeline (TSX:IPL) is an often-cited favourite among income investors, and for good reason. As the name suggests, Inter Pipeline is an energy infrastructure company that boasts one of the largest pipeline networks in the country. Pipeline networks are lucrative business opportunities, as once they are constructed and operational, they require little in the way of ongoing costs yet yield a recurring and stable amount of revenue, not unlike the way a toll-road operates.

Investors contemplating an investment in Inter Pipeline should consider two key points: the company’s future growth prospects and the incredible dividend being offered.

In the case of the dividend, Inter Pipeline offers a monthly distribution that currently provides a yield of 7.86%. The only thing more impressive than that yield is the fact that it is backed up by a very stable payout ratio that came in at just 62% in the most recent quarter and averaged out to 60% over the trailing year.

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