



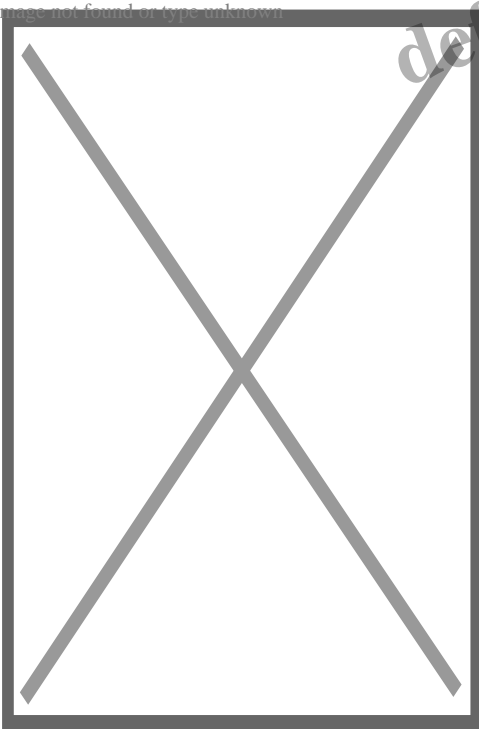
## Don't Bank on It: A Better Place for Your Money Than Your Bank Account

### Description

Some people refuse to put their money in stocks because they think buying stocks is equivalent to gambling. They're afraid to take risks and lose money.

They place money in bank accounts and guaranteed investment certificates for higher interests. However, that's taking another type of risk — the risk of not retiring comfortably.

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Inflation eats away their savings. Their purchasing power is declining if their effective interest rates are lower than the inflation rate. They shouldn't bank on their bank accounts or GICs to help them retire.

To embrace stock investing, know that behind each stock, there's an underlying business. Buying

businesses with durable and growing profits can help you build your long-term wealth. Here's why **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) receives much love from retirees and conservative investors.

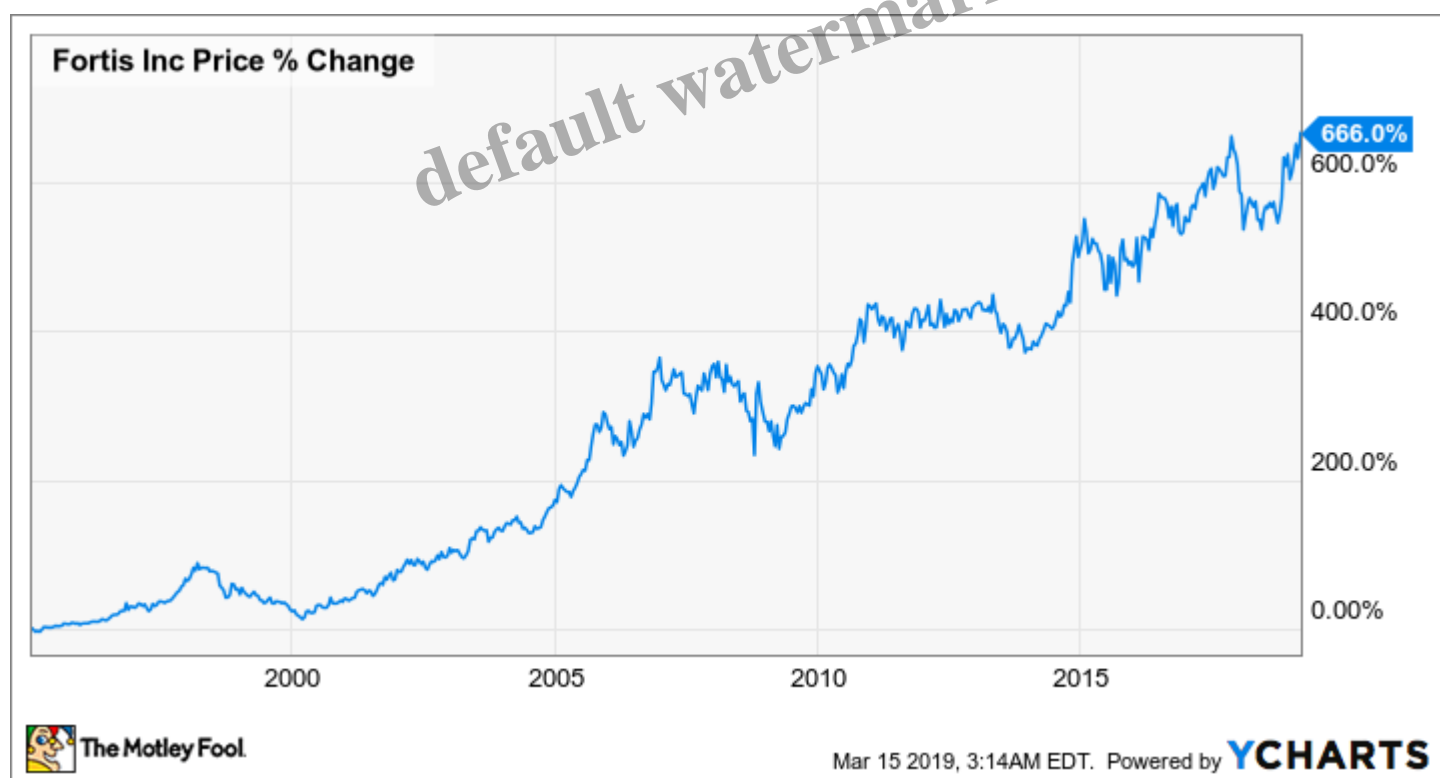
## A safe utility with a safe dividend income

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is one of the safest stocks you can buy. It's a regulated utility, which means its returns are highly predictable. It provides products and services that are needed in all economic cycles — no wonder it has paid an increasing dividend through thick and thin for 45 consecutive years!

You can't lose money if you buy the quality stock at a fair price. The stock is on the expensive side at just under \$49 per share, as of writing, which means that there's little upside.

A 4% yield indicates roughly fair valuation for the stock. So, aim to buy the stock at \$45 per share or lower for a minimum yield of 4% for starters. Of course, when the stock offers a yield that's more than 4%, keep buying!

Fortis aims for dividend growth of 6% per year through 2023. So, if you buy the stock for a yield of 4%, you can expect long-term returns of about 10% per year.



FTS data by YCharts. The long-term price returns of Fortis stock.

If you were very unlucky and bought Fortis right before the last recession, it would have taken you about three years and eight months to get back to break even (without accounting for the dividends you received).

## Investor takeaway

Don't be afraid to invest in [stocks with durable businesses that are growing profits](#) over time. (Fortis is an example of such a business.) Don't overpay for stocks. By holding a basket of [quality businesses](#), in the long run, you should achieve *much* better financial results than our poor friends who have stuck with bank accounts and GICs.

If you have an investment horizon of about five years, you should come out with positive gains on top of any dividends received, given the stocks' underlying businesses are intact.

### CATEGORY

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

### TICKERS GLOBAL

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

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