



Millennial Investors: Turn \$20,000 Into \$180,000 Before Retirement

Description

As a young investor, it can be really easy to get caught up in the whirlwind of the stock market. There are so many opportunities to get in on the ground floor and make a killing, and many of us expect them to be staring us straight in the face. After all, how could our parents *not* know **Amazon** would be where it is today?

Another temptation is to take any cash we make and simply spend it. Clothes, eating out, entertainment, travel; these are all simple ways that we see money fly out the window. But there is a way to invest your money wisely, while still putting aside some cash for the fun things in life. After all, you're only young once.

By buying the stocks I've collected here, not only will millennial investors see a giant increase in funds over the long term, but they'll be given an annual dividend that can be used for whatever they want! No matter what you choose to do with that money, these stocks are a great option if you're looking to have a tonne of cash set aside in the next few decades.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is the [perfect choice](#) for a passive-income, growth portfolio right now. The stock is undervalued, trading at \$47.77 at the time of writing with fair value at \$62 per share.

The pipeline network is North America's largest energy infrastructure company and is set to grow even bigger. Enbridge currently has \$16 billion set aside for its development projects, already fully funded, and with all these projects set to be complete by 2021. As these pipelines come online, investors can expect to see an increase in revenue, share price, and dividend yield.

Beyond that, the company already has a number of long-term contracts set up to keep a steady streamline of cash flow coming in for decades. This has allowed the company to increase its dividend by 10% this year, which it intends to do again next year. Right now, that dividend yield is at 5.93%. That means an investment of \$10,000 today would bring in \$616.55 annually. And if we look at historical performance, \$10,000 invested 20 years ago would be worth \$56,635 today. If things continue this way, that would make today's investment of \$10,000 worth \$46,598 in another 20 years.

Toronto-Dominion

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is another great option for your growth and passive-income portfolio, and for many of the same reasons. The stock is currently trading at \$75.22, despite fair value being a bit higher at \$81 per share.

The other similarity, besides being undervalued, is that this company is also in the process of growth and has been doing this for years south of the border. TD is now an incredibly large operation in the [United States](#), making it the perfect opportunity for those seeking exposure to both Canadian and American economies. This means that even when the Canadian dollar is doing poorly, TD has the strong U.S. dollar to fall back on.

That's left the company with some strong quarterly results, even when the other banks are down. Most recently, adjusted earnings came in at \$3.3 billion — a 7% increase from the same time last year — and left the bank with the ability to raise its dividend by 10% earlier this year.

Now, of course, TD is the same as every other bank. If the markets fall, it likely will also. But this and other Canadian banks have rebounded quickly in times of crisis, making this actually a great bet during a downfall. And that downturn wouldn't affect the company's dividend yield of 4.01%. That would bring in \$394 per year in passive income from a \$10,000 investment. And again, historically speaking, a \$10,000 investment 20 years ago would be worth \$45,062 today. So, in that same period, \$10,000 invested today would be worth \$35,101 in another 20 years.

Bottom line

To get to that \$180,000 mark, you would have to wait another 10 years after that to bring in that much money. But you'd definitely get there quicker if you reinvest that dividend. A 30-year wait would eventually leave that \$20,000 investment with \$180,450.

CATEGORY

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2. Investing

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2. NYSE:TD (The Toronto-Dominion Bank)
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Date

2025/09/19

Date Created

2019/06/08

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