



How to Grow a Million-Dollar Retirement Portfolio on a Minimum Wage Job

Description

Most of us dream about having a million-dollar retirement portfolio, to spend our golden years in relative luxury after years of toiling away from 9 to 5. Sadly, very few people are able to achieve it — not because they don't have enough money, but because they haven't followed a systematic investment plan during their formative years.

This article is primarily for those individuals and families who form the grassroots of our workforce — the people who provide valuable service to society but are not compensated adequately for the value of the service that they provide. Most often than not, it is the big financial institutions and financial advisors who benefit from their investments by promoting products such as mutual funds and ETFs with high fees.

As a big believer in DIY investing, I want to point out three stocks that you can invest in by yourself to achieve a seven-figure portfolio by the time of your retirement.

Bank of Montreal

BMO ([TSX:BMO](#))([NYSE:BMO](#)) is a highly diversified financial services provider based in North America. Established in 1817, BMO is the eighth-largest bank in North America by assets, totalling over \$800 billion with a customer base in excess of 12 million.

BMO operates in three segments, namely Personal and Commercial Banking, Wealth Management, and Capital Markets. In addition to a solid footprint in North America, BMO has a presence across many of the global financial centres.

What makes BMO unique is its strong capital position, well-diversified revenue sources, and a healthy EPS growth target between 7% and 10% year to year. With a dividend in excess of 4% and one-year target price (\$109) that is 10% over the current market price (\$99.67), this is one banking stock that should be part of every value portfolio. My Foolish colleague Victoria Hetherington is [a fan of BMO](#) in these turbulent times, and it's easy for me to see why.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) provides a range of telecommunications products and services in Canada. Together with **Rogers**, **Bell**, and **Shaw**, Telus forms one of Canada's top four telecommunication companies.

As of the financial year 2018, Telus had an annual revenue of \$14.4 billion, with 9.2 million wireless subscribers, 1.9 million high-speed internet clients, 1.2 million residential network access lines, and 1.1 million Telus TV customers.

Being an oligopoly and targeting a higher end of the customer spectrum, Telus faces very limited competition in Canada's severely regulated telecommunications market. Similar to previous years, Telus is targeting a healthy outlook for 2019 with a revenue growth target between 3% and 5% and an EPS growth target of 2-10%. The stock has a low beta of 0.50 with a one-year target of \$52.50, which is around 10% increase of the current stock price.

Hydro One

Hydro One ([TSX:H](#)) is Ontario's largest electricity transmission and distribution service provider with a customer base comprising of 1.4 million residential, small business, commercial, and industrial customers.

As of 2018, Hydro One has assets worth \$25.7 billion, an annual revenue of \$6.2 billion, and a rate base of \$19.7 billion. On a qualitative basis, what makes Hydro One unique is that the demand for electricity is always growing.

Since Hydro One is not in the business of generating electricity, just transportation and distribution, it faces almost no risk from enterprise environmental factors such as governmental legislation relating to clean energy and environmental protection.

The cherry on top is that Hydro One pays its common shareholders a dividend in excess of 4% with a target payout ratio between 70% and 80%, leaving plenty of capital aside for sustained growth.

The bottom line

The three companies mentioned in this article provide a solid moat (a unique business advantage over its competitors). Coupled with consistent growth and , these companies offer services that people need (i.e., banking, communications, and electricity).

High barriers to entry through capital investments and government regulations provide stability and safety of invested capital. By investing \$100 every week (which is just about a day's wage) consistently and taking advantage of dividend re-investing and tax savings, you could literally grow your investments to seven figures.

So, what are you waiting for? It's time to get started on your own million-dollar journey.

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