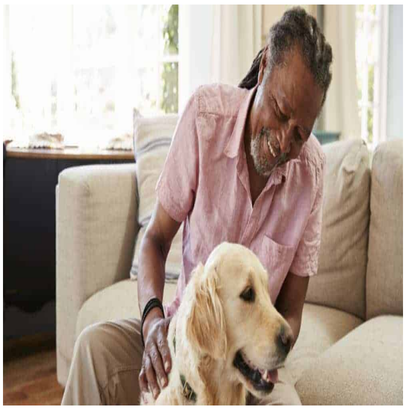

2 Smart Ways to Capitalize on an Ageing Population

Description

Here’s an investment opportunity you may have overlooked: with the general populace getting older, and Canadians ageing out of the labour force, while fewer young people are choosing to start families, two key industries might be prime areas for upside. Eldercare is already attracting the attention of some far-sighted pundits, for instance, with a naturally growing market driven by a trend in population dynamics.

Anything to do with human resources could also continue to do well in the near to long term if millennials continue the trend of delayed family-starting while populations continue to “age out.” In fact, some areas of the United States, for instance, are becoming “employment deserts,” where companies simply can’t find staff because of an ageing populace. This means that experience and expertise in consultancy could become a premium resource.

Investing in human resources could be surprisingly lucrative

Something such as **WSP Global** (TSX:WSP) could fit the bill here. It’s a firm that covers a vast geographical area that takes in New Zealand, Australia, the U.K., the U.S., Canada, Asia, and Sweden, and it’s in the business of professional services consultancy. The company is also in acquisitions mode at the moment, having just made its fifth major purchase this year with U.S. environmental services company, **Ecology and Environment**.

Spanning the agrifood, aviation, alternative energy, infrastructure, and transit industries, as well as a lot more besides, the company’s range of operations is as diversified as they come. In terms of market performance and buyability, WSP Global stock pays a neat little dividend yielding 2%, and while it’s not as cheap as it could be, it’s still gaining upward momentum on the TSX, which could spell tidy capital gains down the road.

Eldercare is an assured growth industry

Looking for organic market growth? Look no further than the eldercare sector — a market that will keep on growing exponentially as the populace ages naturally. With the parents of most millennials now retiring *en masse*, younger investors may no doubt be wondering how they reclaim some of that lost capital. One excellent choice could be to invest in the care homes themselves, such as **Chartwell Retirement Residences** (TSX:CSH.UN).

Chartwell stock pays a solid 4% dividend yield and currently trades midway between its year-long high and low points, making for a fairly good play right now. Again, value isn't as good as it could be, with a high P/E and a share price that's almost 3.5 times its book value. Income investors have a strong buy with this stock, though, and won't go wrong by adding it to a long-range portfolio built around solidly performing dividend stocks.

The bottom line

Taking strategic financial advantage of a naturally ageing population makes a lot of sense — it's a phenomenon that is accelerating with time, creating its own steady growth. By taking the two-pronged approach of investing in human resource expertise and elder care, Canadians can glean some upside from a pair of potentially overlooked sectors that will continue to grow whatever the economy throws at us.

CATEGORY

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

TICKERS GLOBAL

1. TSX:CSH.UN (Chartwell Retirement Residences)
2. TSX:WSP (WSP Global)

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Date
2025/06/30
Date Created
2019/08/31
Author

vhetherington