



Millennials: 2 Dividend Stocks Yielding a Staggering 8.6%

Description

Dividends are a gift that keeps on giving, but not all investors are keen to buy in. According to a report by TD Ameritrade, millennials are more inclined to hold tech stocks in the long-term instead.

Certainly, investing in non-dividend and growth-focused shares make sense, as they tend to ensure better chances of growth with low volatility. Perhaps that's why young investors generally steer clear of dividend stocks.

Dividend payouts are a way for companies to reward all the shareholders who invest with them. These payouts also allow them to build trust with the shareholders by indicating that the company is profitable.

Most dividend yields per stock are inconsequential. These dimes per dollar added together and compounded over time can, however, grow into a sizeable nest egg for retirement – or through transferring to other investment options.

To this end, millennials should look to invest in dividend stocks, but they need to look for *reliable* dividend increases. If you choose your stocks well, the company's dividend yields will be established well enough to offer steady increases annually.

Therefore, I have some advice on two promising high-yield dividend stocks. Young people should consider both **Pizza Pizza Royalty** ([TSX:PZA](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) for investment.

Pizza Pizza Royalty and a dividend yield over 8%

Let's talk about Pizza Pizza Royalty first. The company currently boasts a [dividend yield](#) of over 8.5%, which is as good as you can ask for when it comes to dividend yields. The increasing competition that the company's stock has seen, along with the rising number of food-delivery apps, have weighed down on the shares.

While these factors weighing heavily on the stocks for Pizza Pizza might have been alarming, the Q2 earnings clocked in a \$0.214 per share. The revenue increased by 2.4% for the company to \$134.25.

The company's same-store sales improved 1.6% — an even better sign, as this was the first positive same-store sales figure since the second-quarter performance in 2017. The second-quarter results, growth in traffic and customers responding positively to new product offerings mean that Pizza Pizza might be worth investing in right now. Also, the fact that Pizza Pizza is up 10% this year only adds to the positive outlook.

Enbridge in light of the wave of change

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) lost much of the trust that investors had in the company over the past three years. The recent spate of changes to the company might have just turned the energy generation, distribution, and transportation company into everything that new investors want.

The company's stock offers high dividends, better stability, and excellent dividend growth. Enbridge has the most extensive infrastructure for an energy company in North America. The company also provides transportation for a quarter of the crude oil used in North America and one-fifth of the natural gas consumed in the United States.

The most promising aspect of Enbridge — especially for young investors — is the current 6.6% [dividend yield](#) at the current price of \$44.60. Because Enbridge has traded as high as \$65 in recent years, young investors can leverage the 20% discount on Enbridge's share prices with a chance of a nice upside.

Dividend stocks can be a source of steady income

There aren't that many ways to earn money by literally doing nothing at all. When it comes to dividend stocks, the money you invest will see cash returns on the payment date. For those who invest more than enough, you can even be able to live off of your passive income generated from dividend stocks.

Whether the company stocks you invest in provide monthly or quarterly payouts on dividends, compounding your dividend stocks can increase your earning potential – which is crucial at this point.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

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

Date

2025/08/26

Date Created

2019/09/10

Author

adamothonman

default watermark

default watermark