



## Forget Bitcoin or Gold! I'd buy Dividend Stocks to Get Rich and Retire Early

### Description

Stock markets across the world may have experienced a turbulent and disappointing period over recent months, but their long-term return prospects continue to be relatively bright.

In fact, the track record of the stock market suggests that it could provide a more appealing risk/reward opportunity than other investment opportunities, such as gold and Bitcoin.

Furthermore, through buying dividend stocks and reinvesting the income received from your investments, you may be able to build a surprisingly large nest egg in order to retire early.

### Gold

While investing in gold can prove to be a worthwhile move during periods of economic uncertainty, in the long run the growth potential offered by the stock market may mean it is a better idea.

Certainly, buying gold miners while they trade on low valuations can be a shrewd move. Just as with any stock, paying a fair price for a high-quality business is always highly appealing. However, buying a gold ETF or even physical gold may inhibit an investor's long-term return potential versus dividend stocks.

Gold's lack of income, as well as its reduced utility following price increases, could mean that its long-term returns fail to match those of a diverse range of stocks. That's especially the case when compounding is factored in, with the stock market offering the potential to build a larger nest egg, as well as greater diversification, than buying into the gold price.

### Bitcoin

As well as its lack of income, Bitcoin also has an unclear long-term future. It could prove to be closely correlated to the prospects for the wider economy, since its price is dependent upon investor sentiment rather than facts and figures. As such, if investors become increasingly risk averse due to the risks

facing the world economy, Bitcoin's price may come under significant pressure.

Furthermore, with the virtual currency's role in the world economy being unclear, it appears to have significant risks. For example, other virtual currencies could become more prominent than Bitcoin, while concerns among lawmakers surrounding its security may mean that its future progress in terms of becoming a mainstream payment method is rather restricted. This may lead to disappointing returns for holders of Bitcoin over the coming years when compared to dividend stocks.

## Dividend stocks

The risk/reward opportunity presented by [dividend stocks](#) appears to be compelling – especially when compared to other assets such as Bitcoin and gold. Buying a range of dividend-paying stocks has historically provided not only a sustainable income for investors that grows over the long run, but also access to capital returns which have largely outpaced other mainstream assets.

Unlike gold and Bitcoin, it is possible to obtain a large amount of diversity in the stock market. Investors can buy companies operating across the global economy in a variety of sectors, and with a range of market caps. This helps to reduce overall risk, and offers a more resilient return profile.

As such, while gold and Bitcoin may have delivered rises in recent months, dividend stocks appear to offer the best means of building a nest egg so that you can retire early.

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