



## Baby Boomers: Teach Your Millennial Kids the Right Way to Invest

### Description

Baby boomers can't expect their millennial children to have the same mindset as theirs. The two generations have fundamental differences, including managing finances. While millennials have a different approach to handling money, they can learn from their elder counterparts.

Baby boomers know how it is to struggle with money. To them, [investing, not just saving](#), is the way to secure your financial future. Baby boomers have become income driven after experiencing periods of recession.

### Be income driven, not frugal-minded

In Canada, four in five millennials are saving money, but only one in two are investing. Millennials should take the cue from baby boomers. You can't build wealth by being frugal or skipping your Tim Horton's coffee.

Take it a step further by using the money you save to [invest in dividend-paying stocks](#) like **Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)). You can create wealth from the stock to improve your finances. Baby boomers invest in Sun Life because it's an income stock.

This well-known provider of insurance products as well as financial services and wealth management solutions has been paying dividends over the past 10 years. The company pays a dividend yield of 3.54%. Historically, the total return on a \$10,000 investment within 20 years is 702.29%.

If you're in your early 20s today and invest in \$10,000 Sun Life, your money could be worth \$80,224.29 in 19.5 years. You benefit from the compounding effect of dividend reinvestment.

Baby boomers want to stay invested in Sun Life because of its reliability to provide a constant income stream for years. Millennials could also expect the dividend level to increase over time.

## Have a long-term view and invest early

About six of 10 Canadian millennials don't know enough about investing. Likewise, they fear losing money in the stock market. Baby boomers bought dividend stocks when they were younger. They didn't want to miss out on the earning opportunity dividend stocks like **Pinnacle** (TSX:PL) offer.

Pinnacle is a \$257 million company that produces sustainable fuel that clients in North America, Europe, and Asia use for renewable electricity generation. The renewable fuel of this three-decade-old firm comes in the form of industrial wood pellets.

Today, Pinnacle is the third-largest wood pellet producer in the world and rapidly growing. Companies in the utilities sector, as well as large-scale thermal power generators, use the industrial wood pellets as a greener alternative to produce renewable and baseload power.

Pinnacle is in expansion mode and will play an important role in renewable energy. Last July, the company entered a limited partnership agreement with Tolko Industries, a leading North American manufacturer of a wide range of forest products.

Through the Northern Pellet Limited Partnership, the two companies will build a new industrial wood pellet production facility in High Level, Alberta. The facility would have a run-rate production capacity of 170,000-200,000 metric tonnes annually.

Pinnacle generates cash flows and derives revenue from the contracted backlog of long-term, take-or-pay off-take contracts. This small-cap stock pays a 5.45% dividend, and with that yield, a millennial's money could double in 13 years.

## Seek financial advice

Experience is the best teacher. Millennials shouldn't hesitate to seek financial advice from baby boomers. Channeling your savings to dividend stocks like Sun Life and Pinnacle is your path to financial freedom.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:SLF (Sun Life Financial Inc.)

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1. Business Insider
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