



## Millennials: 3 Ways You Are Sabotaging Your Savings

### Description

Millennials are conscious about personal finances that saving money has become a habit. But human frailty sometimes gets in the way. You can sabotage your savings if you can't contain the common weaknesses.

### Holding cash instead of investing

The Generation Y, or millennials, are great savers. Money is so essential to their well-being that hoarding cash is a security blanket. Investing is not top of mind; they park cash in low-interest-bearing savings accounts.

If you have an entrepreneurial mind, you will go beyond saving money. You'd rather see your money grow by purchasing blue-chip stocks like **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

Scotiabank is one of the Big Five banks in Canada, and it has been paying dividends for over 100 years. The bank has been sharing its profits with shareholders through dividends. The practice has been ongoing since 1832.

Many of the Baby Boomers and the Generation X are wealthy today because they've been long-term investors of Scotiabank. You shouldn't be afraid investing in the bank. After all, paying dividends is the bank's mandated policy, notwithstanding cyclical downtrends, market corrections, and even a recession.

Your \$50,000 savings could generate a monthly income of nearly \$190 from the 4.55% dividend. The [payments could go on forever](#) as long as you hold on to the stock.

### Not keeping track of spending

Millennials save a lot because they want ready money whenever there is a need. But the effort of stashing cash is pointless if you don't keep track of your spending. The way to correct this flaw is to

create a budget. Once you work around the budget, you'll be more conscious about spending.

Likewise, if there's money left from restrained spending, you'll realize the potential to build a seed capital for investment. **Polaris Infrastructure** ([TSX:PIF](#)) is an example of [a high-paying dividend stock](#) in the utility sector.

Polaris is a \$207.64 million renewable energy company that acquires, explores, develops, and operates renewable energy projects in Latin America. The company has several projects under development, which are the growth drivers. Although the principal asset is in restive Nicaragua, operations are not disrupted.

The stock has gained 33% thus far in 2019, and analysts see further price appreciation when the milestone projects in Latin America are complete. Its current price of \$13.22 could climb by as much as 72% in the months ahead. Factor in the 6% dividend, and you'll see remarkable money growth.

## Submission to peer pressure

The most significant disruption to a millennial's saving activity is the peer pressure to spend. You may be affluent today, but when you readily submit to the temptation, your account balance will never grow.

More often than not, you're spending on things of no value. It's not wrong to pamper yourself once in a while, but it shouldn't be regularly. Having financial discipline will go a long way.

Instead of sabotaging your savings, start investing in dividend stocks like Scotiabank and Polaris Infrastructure. Let your money work for you.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:PIF (Polaris Renewable Energy)

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