



## Baby Boomers: 1 Safe Stock to Buy Closer to Retirement

### Description

All baby boomers close to retirement should know that now is the time to put their nest egg into lower-risk investments. Such options might not offer significant returns, but they can help protect hard-earned savings from depreciation.

Many experts consider [utility stocks](#) a relatively safe and low-risk investment, and I agree. Many factors work together to make utility stocks a low-risk and less volatile investment option.

For starters, utility companies offer products and services that are considered the basic amenities of life. In other words, these companies never run out of business as long as management is taking care of operations and infrastructure.

Moreover, utilities often become monopolies in their respective sectors because of the extensive infrastructure requirements. This natural monopolization means utility companies often don't face much competition.

Lastly, utility companies often enjoy government support. Governments want to make sure that utility companies continue to work well. For that, utility companies often get subsidies and funds from the state treasury.

### One utility stock to buy closer to retirement

It can be challenging to pick a single utility stock for making a safe investment when you have a lot of options at hand. I would suggest you consider investing in **Emera Incorporated** ([TSX:EMA](#)). Emera is a publicly traded energy company with operations across North America.

According to Emera's annual report, the company recorded over \$6 billion in revenue in the fiscal year 2018. The thing that makes Emera an excellent investment option is the twofold rise it has managed to accomplish. Emera has recorded over 80% stock growth in the last five years and is currently paying its investors a 4.07% dividend yield.

A healthy dividend payout with such good growth makes Emera stock a valuable option for your [RRSP](#). If you had invested in Emera five years ago, you would have seen your investment double. This could happen in the future as well, given the well-thought-out future plans of the company.

## A growing North American footprint

Things might have been different for Emera if it hadn't acquired the Florida-based **TECO Energy** four years ago. The acquisition of TECO Energy has proved to be a great decision for Emera, enabling the company to spread and strengthen its North American footprint.

Emera has been generating nearly 40% of its revenue from the operations it took on with TECO. This acquisition will continue to reap benefits for Emera in the future as well.

Emera has also embraced renewable energy to remain relevant in the utility future. It is gradually replacing coal-fired power plants with renewable sources. Currently, Emera is working on a 600 MW solar power plant.

## Conclusion

The utility nature of its business and gradual building of green energy capacity indicate that Emera stock can potentially register the same excellent performance in the future. As a soon-to-be-retiree, putting Emera stocks in your portfolio may not just protect your investments from recession but can help them grow as well.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

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