



Have \$1,000? Buy and Hold This Stock for 30 Years

Description

If you're willing to buy and hold, you don't need much to build a [small fortune](#). That's because compound interest will do most of the work. Let's look at a great example.

If you invest \$1,000 and earn 10% annual returns, you'll have \$2,600 after a decade. But after two decades, you'll have \$6,700. And after three decades, more than \$17,000.

The results are clear. The *longer* you keep your money invested, the *faster* it grows. In the first 10 years, you made a profit of \$1,600. In the final 10 years, your profit was \$10,300, all without investing another dime.

Accelerating growth is a major reason why stock market gurus like Warren Buffett extoll the virtues of long-term investing. Buy-and-hold investors are able to harness the magic of compound interest, a phenomenon that Albert Einstein reportedly described as the most powerful force on earth.

Want to capitalize on the [advantages](#) of buy-and-hold investing? Even if you have just \$1,000 to invest, you can build long-term wealth with the following stock.

This is the stock

Brookfield Infrastructure ([TSX:BIP.UN](#))([NYSE:BIP](#)) stock is the perfect buy-and-hold stock. The company is targeting one of the greatest — and longest — opportunities in history: population growth.

But how exactly does a company benefit from population growth? By owning assets that directly benefit from the world getting bigger.

Brookfield owns a variety of infrastructure assets, from railroads and highways to wind farms and cellphone towers. A growing population almost always results in higher demand for these basic services.

In recent months, Brookfield has deployed more than \$1.3 billion in capital. These new projects are

located throughout the world, diversifying the company's bets across a wide variety of markets.

It spent \$600 million to acquire telecom towers in India and a data distribution facility in New Zealand, another \$500 million to purchase a railroad in North America, and \$150 million on a long-range natural gas pipeline.

Buying and holding is key

After going public more than a decade ago, Brookfield has shown that investing for the long term is the *best* way to build wealth. The results speak for themselves.

Since 2008, Brookfield's stock has increased by more than 20% per year. When including dividends, the total annual return is closer to 25% per year. Buy and hold investors take note: this is a terrific stock to create financial independence.

Let's re-run some of our numbers from before. Instead of assuming a 10% annual rate of return, let's use Brookfield's real-world result of 20%.

Earning 20% per year, \$1,000 would become \$6,200 after a decade, \$38,000 after two decades, and \$237,000 after three decades. That's nearly a quarter-million dollars, built from a starting amount of only \$1,000! This is the power of compound interest, which is only attainable through buy and hold investing.

How long can Brookfield continue to grow at these rates? After a decade of breakneck growth rates, the firm is still valued at just \$20 billion. The global opportunity, meanwhile, is easily in the trillions.

With a proven strategy and long runway for growth, Brookfield Infrastructure is the ideal investment for buy-and-hold investors.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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