



## Can BCE (TSX:BCE) Make You Rich?

### Description

Finding the [right mix](#) of diversified investments across a broad segment of the economy takes time. Often, the need to diversify comes at the cost of selecting a stock that has little to no growth prospects or offers an anemic dividend. That hardly seems like an investment option to help make you rich.

Fortunately, it is possible to invest in a stock that can provide growth and income-earning potential in a defensive package. That stock is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). Here are a few reasons why you should consider investing in the telecom behemoth.

### A defensive, wealth-building moat that is like no other

One of the many reasons why investors flock to telecoms stems from the defensive nature of the telecom business. Telecoms offer services that are increasingly becoming necessary parts of our digital lives. The COVID-19 pandemic has led to countless office workers joining the ranks of a new remote workforce, which requires constant connectivity. Keep in mind that this is in addition to the growing importance of wireless connections, and the insatiable appetite for data.

In terms of results, in the most recent quarter, BCE saw net customer additions of 45,042 across the wireless, retail internet, and IPTV segments. On an adjusted basis, EBITDA for the company was up 1.4% year over year.

BCE's nationwide network is the crown jewel of Canada's telecoms. Any would-be competitor would spend at least a decade and billions to develop a comparable network. This factor alone puts BCE ahead of its peers and paints the picture of a perfect wealth-building investment.

### Something more than a telecom

BCE is invested in far more than being just one of Canada's Big Three telecoms. BCE owns a massive media empire that includes both professional sports teams as well as TV and radio stations. In other words, there are other ways that your BCE investment can make you rich.

In fact, BCE's umbrella-like coverage over our daily lives is nearly complete. Whether it be using the mobile network, watching TV, listening to the radio, or surfing the net at home, we are constant consumers of BCE.

This is important, because a dip in revenue across one segment can be offset by a surge in another. By way of example, in the most recent quarter, the media segment saw an industry-wide drop in advertising. As a result, adjusted EBITDA dropped 6.1% to \$155 million, which was partially offset by growth in other areas.

## A real Dividend Aristocrat to make you rich

Strong results and a well-diversified portfolio of investments make BCE a great investment option to weather uncertainty and, over the long term, make you rich. This is possible thanks to BCE's appetizing quarterly dividend.

The unprecedented market volatility we've seen this year has led many companies to slash or postpone their dividends. Fortunately, BCE has done neither. In fact, BCE is one of just a handful of companies that has paid dividends for well over a century.

BCE currently provides an appetizing 5.87% yield. Additionally, the company has an established precedent of providing handsome yearly or better bumps to the dividend going back years. In other words, that dividend could make you rich over the long term.

## Final thoughts

No investment is without risk. That's one of the [volatility lessons](#) learned from 2020. What BCE does offer is a stable and growing source of income, which should appeal to long-term dividend investors. In my opinion, BCE should be a core position for nearly any portfolio focused on building wealth.

### CATEGORY

1. Dividend Stocks
2. Investing

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