



## This Income Stock Is Popular: Should You Buy?

### Description

If you are thinking about adding **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock to your retirement portfolio, TFSA, or RRSP, you should know that this income stock is not one to buy as a passive investment except in the very long term. Even as a long-term investment, there are no guarantees with this dividend payer.

The dividend is fantastic, but historical capital gains have been weak. Many shareholders have lost money on this stock depending on the position entrance date.

No investment is riskless. Enbridge is in a volatile industry that's susceptible to geopolitical uncertainty. On the bright side, this energy infrastructure firm is building its portfolio of [clean and alternative energy assets](#). These investments are sure to pay off for shareholders in the long term, hopefully in the form of high future dividends.

### Enbridge stock: A 10-year buy (at least)

Enbridge stock is at least a 10-year buy-to-hold income stock. The dividend yield is a fantastic 7.83% at the current market price.

Nevertheless, price volatility erodes the overall returns from this dividend payer. The dividend payments don't fully compensate shareholders for short- to medium-term changes in the asset price.

Over the past 10 years, faithful shareholders have seen sizeable gains from the stock. The market value of Enbridge has increased by 68.93% since 2010. Unfortunately, the stock price has only fallen over the three- to five-year timeframes.

Enbridge ( <a href="#">TSX:ENB</a> )	Price Change
Three years	– 20.76%
Five years	– 31.57%
10 years	+ 68.93%

## Enbridge shuts down the Michigan Line 5 pipeline

This income stock is dealing with significant problems. Energy infrastructure is expensive. Legal fees only augment the cost to maintain pipelines and threaten the dividend payments to shareholders.

On Thursday, an Ingham County judge in Michigan ordered a temporary shutdown of Enbridge's Line 5 pipeline serving the Great Lakes area. Compounding Enbridge's legal troubles, Attorney General Dana Nessel filed a restraining order request against Enbridge's operation of the pipeline.

Even Gov. Gretchen Whitmer does not want Enbridge to resume activities in the Great Lakes area until the company discloses the cause of damage to the pipeline. Shareholders should wonder if their income is safe in this stock.

The people of Michigan want to suspend commercial authorization until the energy infrastructure firm increases transparency regarding environmental safety threats in the area. To date, the company has not disclosed the underlying cause or impacts of the damage.

Moreover, the company resumed operations on a damaged pipeline without notifying regulatory authorities. These issues will take time to clear up and add substantial costs to the firm. Hopefully, the company can weather these changes while providing shareholders with strong dividend returns.

## Should you buy this income stock?

Enbridge stock provides great dividends to shareholders at the price of liquidity. Don't buy Enbridge thinking that you can access the initial capital at any time. Your money will likely be inaccessible unless you are willing to take a substantial capital loss.

As a passive-income investment, the stock is top notch due to the high dividend yield. If you don't expect to need the cash within the next 10 to 20 years, then this might be a great choice for you. However, the future of Enbridge is uncertain that far into the future.

[Enbridge could very well go bankrupt](#). There's no guarantee that the company's current endeavours to diversify into renewable energy will prevent it from going extinct. Like with all income investments, take caution and know the risks before you buy.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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