



How to Retire Rich From a Juicy 7.6% yield

Description

Do you have a reliable (and growing) income stream as part of your portfolio? Income-producing stocks are often overlooked by some investors in lieu of growth stocks. That's a shame because there are some true gems on the market today that can help you retire rich.

One such investment is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))

Why Enbridge — and why now?

Enbridge is an energy infrastructure behemoth. The company boasts one of the largest pipeline networks on the planet. On a daily basis, that network hauls one-quarter of North American crude. Enbridge also transports one-fifth of the natural gas consumed by the U.S. and operates one of the largest gas utilities on the continent. Turning to power generation, Enbridge has a growing portfolio of renewable energy assets.

In other words, Enbridge is well diversified across the energy sector. But what exactly makes Enbridge a great investment? Let's look at some growth projects.

First, let's talk about Enbridge's pipeline network. The pipeline extends over 27,000 kilometres, connecting oil-rich Alberta with refineries and storage facilities across Canada and into the U.S. In terms of pricing, the use of Enbridge's pipeline network is independent of volatile oil prices. This means that irrespective of which way oil prices go, Enbridge will have a steady revenue stream — a key point for setting up any portfolio to retire rich.

What about growth?

Enbridge has a massive project backlog that is measured in the billions. The most well-known of these projects is the Line 3 replacement project. The existing 1,600 kilometre pipeline extends from Edmonton to Superior Wisconsin. Once complete, the upgraded line will provide capacity for transporting 760,000 bpd.

Turning to Enbridge's renewable energy portfolio, the company has several ongoing projects such as the Alberta Solar One Project. Located west of Burdett, Alberta, Solar One will generate 10.5 MW of electricity once operational in 2021.

Start small and work your way up

One of the most daunting tasks in setting up an income stream is the initial investment that is needed. This especially holds true for younger investors who are years out from their golden years. For those investors, the answer is to invest over time, allowing your portfolio to build up and realize the benefit of Enbridge's juicy dividend. Again, the endgame here is to retire rich.

That juicy yield currently works out a handsome 7.66%. To put that yield into context, a \$7,000 investment would generate about \$500 in income. Not ready to retire yet? Reinvest the dividends and watch your portfolio soar.

Adding to that appeal is the fact that Enbridge has an established precedent of providing investors with a very [handsome annual uptick](#) to that dividend. By way of example, those annual upticks have provided annual double-digit growth going back over two decades. The most recent uptick came earlier this year when Enbridge paid out \$0.81 per share.

Finally, I would be remiss if I didn't note that Enbridge still trades at a discount over where it was in January. In fact, the stock is still down over 15% year to date, making Enbridge an incredible buy for long-term investors.

You *can* retire rich!

Enbridge is a superb long-term investment. Between the company's defensive business, aggressive stance to expansion and healthy dividend, there's something for every investor. That's not to say that Enbridge is without risk. Instead, Enbridge should be considered part of a [well-diversified portfolio](#).

Buy it, hold it, retire rich.

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Author

dafxentiou

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