



## Millennials: Want to Retire Rich? Start Investing in This 1 Stock Today

### Description

Investing and growing your savings is a long-term process that can take many years. That's why it's important to start as early as possible. And rather than chasing the next hot IPO that could end up crashing and crippling your portfolio, you're better off looking for stable investments that can slowly and steadily help you accumulate wealth over the years. It may sound like a boring strategy, but it's one of the best ways to ensure you retire rich without putting your portfolio in harm's way.

### Bank stocks never go out of style

Investing in a [top bank stock](#) is a good way to ensure that your portfolio will continue rising over the years. The Big Five banks in Canada can provide your portfolio with lots of stability, and they're great sources of dividend income.

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) currently yields around 6.5% per year. But 2020 has been an off year for financial stocks, so let's assume that on average, it'll generate dividend income of 5% per year. And let's say that typically it'll grow at a rate of 8% every year — that's about the annual growth it has averaged for the past 20 years (prior to this year, of course). Under this model, I'm also going to assume that dividends are not re-invested into the stock.

But to generate any growth you'll first need to buy some shares. Rather than a big lump sum, let's assume you contribute \$350 every month and buy shares of Scotiabank. With those assumptions in place, let's take a look how your wealth might grow if you began investing in the stock at the age of 25:

Page 1	1	\$4,200	\$4,200	\$294	\$4,494	\$210	\$210
26	2	\$8,400	\$8,694	Footer Tagline \$609	\$9,303	\$420	\$630

27	3	\$12,600	\$13,503	\$945	\$14,448	\$630	\$1,260
28	4	\$16,800	\$18,648	\$1,305	\$19,953	\$840	\$2,100
29	5	\$21,000	\$24,153	\$1,691	\$25,844	\$1,050	\$3,150
30	6	\$25,200	\$30,044	\$2,103	\$32,147	\$1,260	\$4,410
31	7	\$29,400	\$36,347	\$2,544	\$38,891	\$1,470	\$5,880
32	8	\$33,600	\$43,091	\$3,016	\$46,108	\$1,680	\$7,560
33	9	\$37,800	\$50,308	\$3,522	\$53,829	\$1,890	\$9,450
34	10	\$42,000	\$58,029	\$4,062	\$62,091	\$2,100	\$11,550
35	11	\$46,200	\$66,291	\$4,640	\$70,931	\$2,310	\$13,860
36	12	\$50,400	\$75,131	\$5,259	\$80,391	\$2,520	\$16,380
37	13	\$54,600	\$84,591	\$5,921	\$90,512	\$2,730	\$19,110
38	14	\$58,800	\$94,712	\$6,630	\$101,342	\$2,940	\$22,050
39	15	\$63,000	\$105,542	\$7,388	\$112,930	\$3,150	\$25,200
40	16	\$67,200	\$117,130	\$8,199	\$125,329	\$3,360	\$28,560
41	17	\$71,400	\$129,529	\$9,067	\$138,596	\$3,570	\$32,130
42	18	\$75,600	\$142,796	\$9,996	\$152,792	\$3,780	\$35,910
43	19	\$79,800	\$156,992	\$10,989	\$167,981	\$3,990	\$39,900
44	20	\$84,000	\$172,181	\$12,053	\$184,234	\$4,200	\$44,100
45	21	\$88,200	\$188,434	\$13,190	\$201,624	\$4,410	\$48,510
46	22	\$92,400	\$205,824	\$14,408	\$220,232	\$4,620	\$53,130
47	23	\$96,600	\$224,432	\$15,710	\$240,142	\$4,830	\$57,960
48	24	\$100,800	\$244,342	\$17,104	\$261,446	\$5,040	\$63,000
49	25	\$105,000	\$265,646	\$18,595	\$284,241	\$5,250	\$68,250
50	26	\$109,200	\$288,441	\$20,191	\$308,632	\$5,460	\$73,710
51	27	\$113,400	\$312,832	\$21,898	\$334,730	\$5,670	\$79,380
52	28	\$117,600	\$338,930	\$23,725	\$362,655	\$5,880	\$85,260
53	29	\$121,800	\$366,855	\$25,680	\$392,535	\$6,090	\$91,350
54	30	\$126,000	\$396,735	\$27,771	\$424,507	\$6,300	\$97,650
55	31	\$130,200	\$428,707	\$30,009	\$458,716	\$6,510	\$104,160
56	32	\$134,400	\$462,916	\$32,404	\$495,320	\$6,720	\$110,880
57	33	\$138,600	\$499,520	\$34,966	\$534,487	\$6,930	\$117,810
58	34	\$142,800	\$538,687	\$37,708	\$576,395	\$7,140	\$124,950

59	35	\$147,000	\$580,595	\$40,642	\$621,237	\$7,350	\$132,300
60	36	\$151,200	\$625,437	\$43,781	\$669,217	\$7,560	\$139,860
61	37	\$155,400	\$673,417	\$47,139	\$720,556	\$7,770	\$147,630
62	38	\$159,600	\$724,756	\$50,733	\$775,489	\$7,980	\$155,610
63	39	\$163,800	\$779,689	\$54,578	\$834,267	\$8,190	\$163,800

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64	40	\$168,000	\$838,467	\$58,693	\$897,160	\$8,400	\$172,200
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After 40 years, you would have contributed a total of \$168,000, generated growth of \$729,160 and earned dividend income of \$172,200. Combined, your portfolio would be worth \$1,069,360.

At that point, you could cash out and use the money as you wish, including investing the full amount into an ETF and living off the [dividend income](#). If you were to invest \$1,000,000 in an investment yielding 5% per year, your annual dividend income of \$50,000 could potentially be enough to live off, or, at the very least, be a great way to supplement your other retirement income with.

## Bottom line

If Scotiabank continues growing its dividend, and if you re-invest the income, then these returns would be even larger. But the point is to show that if you're able and willing to start investing money into Scotiabank today, you could be in for a big payday when it comes time to retire. It may not be as exciting as buying and trading stocks all the time, but by building your investment steadily over time, you can earn a great return while taking on minimal risk.

There are many other stocks besides Scotiabank that you can invest in, and it may even make sense to use an ETF to provide you with more diversification and stability.

By sticking to a plan and slowly contributing more money over the years, you can make your life a whole lot easier when it comes time to retire.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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