



2 Stocks That Can Make You Rich in Three Decades

Description

Who wants to be a millionaire? Almost everyone, except for people who want to become billionaires right away and those who have found inner peace without monetary ambitions. But even though everyone wants to, relatively few people get to achieve this financial dream.

A lot of factors and circumstances guide the passage of accumulation of wealth for an individual. Some people strive to become millionaires by increasing their income and saving a significant sum every month/year. Others try to grow what they already have by investments. Both of these strategies rely upon one crucial variable: time.

But there are other important variables in the equation as well. For the investment path of becoming a millionaire, the most important variable is perhaps the assets/businesses you invest in. I've selected two stocks that, if, keep growing at their current pace and you invest a decent sum in them, might be able to make you a millionaire in three decades.

A utility stock

Green energy companies like **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) attract investors due to their inherent sustainability and stable long-term prospects. But in the case of Algonquin, it comes with the hope of growth as well. Algonquin invests [in green energy](#)-producing assets as well as utility businesses across the globe. The company has about \$11.7 billion in energy/utility assets and serves about a million consumers.

The company has a stake in about 130 power generation and distribution facilities. A geographically diversified portfolio of assets adds to the company's stability. It's also a Dividend Aristocrat and currently offers a juicy yield of 4%. But the millionaire-maker number that you might be interested in is its 10-year compound annual growth rate (CAGR) of 19.5%. If the company can keep this up for three decades, it can make you a millionaire with less than ten thousand invested.

It might seem too good to be true, so even if you take half of its CAGR (9.75%), the company might make you a millionaire in three decades if you invest about \$62,000 in it today.

A software company

Constellation Software ([TSX:CSU](#)) already is a [millionaire-maker stock](#). If you had invested roughly \$13,000 in this company two decades ago, when it was trading at less than \$25 a share, you'd now be sitting on a million dollars in Constellation shares. While it's aggressively overpriced right now, if the company can sustain even half of its current 10-year CAGR (43%), that would be about 21.5%, the stock might make you a millionaire with less than \$10,000 invested.

It might seem unrealistic (and it probably is) because the stock price would have to reach unbelievable levels to make you a millionaire with such a small sum invested. But it has sustained an impressive growth pace for the last two decades, and it might pull off a miracle and reach **Berkshire Hathaway** level valuations in the future.

Foolish takeaway

The prospect of becoming a millionaire with relatively small amounts invested seems both lucrative and risky because, with so much time in between, a lot of things can go wrong. But realistically speaking, you'd need \$62,000 growing at 10% for thirty years to turn into a million dollars. That's less than the average yearly return of the **S&P 500 Composite Index** in the last 10 years.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CSU (Constellation Software Inc.)

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Date

2025/07/05

Date Created

2021/03/24

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