Follow These 3 Simple Steps to Build Sustainable Wealth!

**Description**

Here's a guide to help you build sustainable wealth. Pay yourself first, buy dividend stocks, and review your process and portfolio.



## Pay yourself first

Much like how you need to ensure you have enough cash in your chequing account to pay the utility bills and rent/mortgage payments, leave some money for yourself. It's your hard-earned money! It does not make sense not to pay yourself. So, choose to pay yourself first.

It doesn't matter how small the amount may be. Just get into the habit of paying yourself regularly and consistently. Automate this process if you can to make it really simple for yourself.

What do you do with the money that you have saved? It does not make sense to put it in fixed-income investments when interest rates are so low, especially for young investors who are many years away from retirement.

## Buy dividend stocks

With commission-free trades that cost $0 to buy or sell stocks, there's no excuse not to invest for your financial future.

You can't lose money by investing in stocks that persistently pay sustainable dividends that are ideally growing, as long as you buy them at good valuations and can endure market corrections. Therefore, dividend stocks are the perfect place to build sustainable wealth.

Consider putting at least a portion of your savings in quality dividend stocks. If you're overwhelmed about the hundreds of stocks to choose from, you can start your research with this smaller list.

There are more than 100 Canadian stocks that have mostly increased their dividends for at least five years. They're called the Canadian Dividend Aristocrats. Selecting from this list will be easier.

Three of the top five TSX stocks with the longest dividend-growth streaks are utilities. They include **Canadian Utilities**, **Fortis**, and **Atco**. So, you'd definitely want at least one top-notch utility stock in your income portfolio. Notably, Atco is the parent of Canadian Utilities. So, if you invest in one, don't buy the other to avoid double exposure to the same assets.

Banks, real estate investment trusts, telecoms, insurance companies are also good places to explore for dividend income. You can find examples of these on the Canadian Dividend Aristocrat list, including **Royal Bank of Canada**, **Granite REIT**, **TELUS**, and **Sun Life**.

## Review your portfolio

If you're just starting on your investing journey, don't expect to get it right the first time. There is lots to learn, but it'll be incredibly rewarding! Pick up some books about dividend investing.

You should be able to find a free PDF copy of an older version of *The Single Best Investment* by Lowell Miller. The concepts there are still very relevant today, and it has lots of concrete examples to demonstrate the points.

You can also find online content on financial sites and blogs, but you'll need to filter out the useful content from the not-so-useful content.



Once you've done some reading, you'll gain new insights when you review your portfolio. The idea is to continue refining your dividend investing strategy and portfolio that will be unique to you.

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