



Millennials Planning for Retirement? Buy These 3 Dividend Stocks

Description

I write this article with the notion that millennials aren't [planning to retire](#) for another 10, 20, 30, or 40 years, which will give plenty of time for their investments to grow. The following three dividend stocks are some of the top dividend-growth stocks among the Canadian Dividend Aristocrats. Their fast-growing dividends could result in impressive passive income decades later when the time for retirement arrives. Furthermore, price appreciation often follows dividend growth. Therefore, millennials should consider buying these dividend stocks over time when they're attractively priced.

goeasy stock

goeasy ([TSX:GSY](#)) stock provides non-prime leasing and lending services through its easyhome, easyfinancial, and LendCare brands. For example, it provides point-of-sale financing offered in the retail, power sports, automotive, home improvement, and healthcare verticals, through more than 4,000 merchants across Canada.

The [growth stock](#) did exceptionally well during 2020, as liquidity was plentiful during the pandemic with the support of government programs. Now that liquidity is tightening, and interest rates are rising, goeasy's loan origination is likely to grow slower than the recent past. So, the stock has been correcting, partly because it traded at an extended valuation in 2020 versus its long-term normal historical valuation, and partly because of a less-ideal operating environment.

Still, the company is well managed with a 10-year dividend-growth rate of approximately 23%. It has increased its dividend for seven consecutive years. According to *Yahoo Finance*, eight analysts have a 12-month average price target of \$233.38 on the growth stock, which represents near-term upside potential of approximately 58%.

An investment with an initial yield of 2% in 2013 would have a yield on cost of over 15% today. At \$147.83 per share at writing, the stock yields almost 1.8%.

Alimentation Couche-Tard stock

Alimentation Couche-Tard ([TSX:ATD](#)) is another quality Canadian Dividend Aristocrat that millennials should place on their watch lists. The convenience store consolidator has expanded in Canada, the United States, and parts of Europe since the 1980s.

The wonderful business generates tonnes of free cash flow. It's transitioning from 75% to 50% in growth by acquisitions. This means a greater focus will be on organic growth going forward. Management has identified a "solid pipeline of initiatives with many opportunities around customer journey, innovation, and deployment of retail capabilities." It continues to eye acquisition opportunities in the U.S. and Asia.

The global company has a 12-year track record of dividend hikes. And its 10-year dividend-growth rate is about 25%. According to *Yahoo Finance*, 15 analysts have a 12-month average price target of \$57.85 on the growth stock, which represents near-term upside potential about 18%.

Its yield of 0.9% is small, but with solid execution from a proven management team, millennial investors can anticipate safe and decent long-term returns, including a growing dividend.

Enghouse stock

Enghouse Systems ([TSX:ENGH](#)) is trading at its cheapest valuation in a while. The [tech stock](#) reported exceptionally strong results in fiscal 2020 — helped by its video conferencing solution used by leading Fortune 500 companies across healthcare, video banking, education, etc. As a result, the tech stock's fiscal 2021 financial results paled in comparison. However, its fiscal 2021 earnings per share still compounded at a rate of 13.4% from fiscal 2019.

If Enghouse can spark growth again, in a few years, it would be considered a cheap tech stock today. Currently, four analysts have a 12-month average price target of \$60.25 on the **TSX** stock, which implies near-term upside potential roughly 41%. The company also has increased its dividend for 15 consecutive years with a 10-year dividend-growth rate of about 19%. At writing, it yields 1.5%.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:GSY (goeasy Ltd.)

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Author

kayng

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