



5 Reasons to Invest in BCE (TSX:BCE) Today

Description

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is often mentioned as one of the great long-term investments to add to your portfolio. There are plenty of reasons why investors may want to invest in BCE today. Here are a few to consider.

Reason #1: Defence

When market volatility is at a high, investors flock to defensive stocks, and there are few stocks on the market that are as defensive as BCE.

For those that are unaware, BCE is a true behemoth. The company provides traditional telecom subscription services to customers on a network that spans from coast to coast. In addition to the traditional telecom segments, BCE also boasts a massive media segment.

That segment contains dozens of radio and TV stations as well as interests in professional sports teams.

More importantly, not only are those segments complementary to BCE's core subscription business, but they are also separate revenue streams that add a larger defensive moat to the overall appeal of the business.

Speaking of those core subscription businesses, the wireless and internet segments represent a [unique growth opportunity](#) for investors.

Reason #2: Growth in mobile

Wireless growth for BCE has been phenomenal in recent years, and I'm not just talking about life under the pandemic either. Wireless devices have replaced dozens, if not hundreds of other devices. This not only simplifies our lives but also makes wireless devices, and, by extension, the data they consume, a necessity of our modern world.

Just think about that for a moment, and what auxiliary devices that we no longer take with us — cameras, notebooks, voice recorders, music players, alarm clocks, and calendars are just a few.

That necessity is only going to grow over the next few years, as will the revenue that increased data will represent.

Again, this adds to the overall appeal of BCE over the long term and why you should invest in BCE today.

Reason #3: Growth at home (which is now work)

As a telecom, BCE doesn't exactly scream viable growth stock, at least initially. Looking deeper into the stock does reveal a lucrative opportunity for long-term growth. Incredibly, a fair amount of that potential stems from the pandemic.

When businesses were shuttered, countless workers transitioned to working from home. As remote workers have been touting for years, that process didn't lead to drastic drops in production and performance. If anything, remote workers are just as productive but much happier.

With many office workers now operating full time at home, this elevates home internet service into the realm of necessity. This not only provides further growth potential to BCE but also opens an entirely new defensive moat for the company around a growing remote workforce.

Reason #4: Income potential

One of the main reasons why investors continue to flock to BCE is the company's dividend. BCE has been paying out a generous dividend without fail for well over a century. BCE also has an established precedent of providing an annual uptick to that dividend, including an uptick announced earlier this year.

Today, that dividend earns a juicy 5.24% yield, making it one of the better-paying yields on the market.

In terms of earnings potential, a \$30,000 investment in BCE will provide over \$1,500 in income in the first year alone. Reinvesting that dividend until needed will see that income surge, particularly if we're talking about a decade or more.

For many investors, that's reason enough to invest in BCE today.

Reason #5: Automatic growth

In many ways, BCE is the perfect investment. The stock offers a compelling mix of growth and income opportunities, which are complementary to each other. This helps to make the stock one of the better buy-and-forget options to consider on the market.

And that's exactly what the fifth reason to invest in BCE today is — that buy-and-forget appeal.

Factoring in that growth and income potential noted above, an investment In BCE today will earn a substantial income over the long term.

Invest in BCE today

No investment is without risk. That being said, BCE does represent a great opportunity for long-term investors looking for a defensive stock that can also provide an income.

In my opinion, BCE is a great option that should be a core holding in [every well-diversified portfolio](#).

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Author

dafxentiou

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