



Start Investing With This Stock Today for a Better Tomorrow

Description

Investors, particularly those that are just starting out, often struggle to determine which investments to start investing with. Let's be honest; most people don't have thousands to start with. Accumulating that stellar portfolio takes time and patience, and you need to [start somewhere](#).

Here's a great option to begin with: **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Start Investing with Fortis

In case you haven't heard of Fortis before, the company is one of the largest utilities in North America. The \$58 billion behemoth has 10 utility operations scattered across Canada, the U.S., and the Caribbean.

Utilities are incredibly stable businesses, which is just one reason why companies like Fortis are superb options to start investing with. A big part of that stems from the lucrative business model that utilities adhere to.

In short, Fortis generates and distribute power. Long-term regulatory contracts dictate how much power and the rates for reimbursement Fortis is entitled to. Those contracts can span several decades in duration, making utilities very stable businesses.

In other words, for as long as Fortis keeps the power flowing, the company generates a handsome revenue stream. Speaking of which, Fortis announced earnings for the most recent quarter last week. In that quarter, Fortis earned \$369 million on an adjusted basis, or \$0.78 per share.

In other words, Fortis is a great and stable stock to start investing with.

Concerns with Fortis

Critics of Fortis often point out two major criticisms about the company. First, there's the misconception

that utilities lack any real growth potential. The other point that comes up often is that Fortis is a traditional (dirty) fossil fuel utility that the market is moving from.

Let's dispel both myths.

It is true that some see utilities as the ultimate passive investment, where there is little to no incentive to invest in growth. To put it another way, why should Fortis strive for growth when it can rest on its laurels and generate a stable revenue stream? Also, it stands to reason that paying out a [generous dividend](#) (more on that in a moment) doesn't leave much room for growth.

Unlike other utilities, Fortis has taken an aggressive stance toward expansion. The company has targeted progressively larger acquisition targets over the years. Those acquisitions have helped Fortis expand to new markets, accelerating growth.

In recent years, that growth has turned inwards to upgrading and transitioning its existing facilities to cleaner renewable ones. In fact, Fortis has allocated billions towards a capital plan charged with financing that shift over the next several years. The company even announced it would achieve net-zero greenhouse gases by 2050, achieving 75% of 2010 levels by 2035.

Wait, isn't Fortis more of an income stock?

Yes. Fortis pays out a great dividend that is often linked with investors that are looking to cash in on that income stream. That also doesn't mean that new investors can't benefit from that potential income stream.

In fact, new investors should be more enticed to start investing with Fortis.

Fortis offers a quarterly distribution. The current yield works out to a respectable 3.35%. And while allocating a good sum of \$40,000 will earn an income of \$1,340, you can start your investing future with much less.

Let's take a \$3,000 initial investment to start, which will earn just \$100 in income. That's not yet enough to become a viable income stream, but it *can* kickstart your future growth through reinvestments. Add in some follow-up buys each year, and you will establish a solid investment option very quickly.

Oh, and let's not forget dividend increases. Fortis has an established record of providing investors with generous annual upticks to that dividend. That current record spans over 48 consecutive years, making Fortis one of the best-paying and most stable options on the market.

That just screams set and forget — and all you need is \$3,000 to start.

In my opinion, Fortis is an excellent stock to start investing with today that can provide the income you need tomorrow.

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