



Got \$5,000? 3 Stocks to Hold for the Next 20 Years

Description

There is an African proverb: “Tomorrow belongs to people who prepare for it today.” You can’t grow rich by investing in what is already popular. All billionaires have one thing in common. They were visionaries and invested in a better tomorrow. It took Elon Musk and Jeff Bezos 20 years of constant effort and confidence in their visions to become the world’s richest people.

20 years is a long time

Twenty years is a long time. Governments change, policies change, and business environments change. Identifying a stock that you can buy and hold forever can be tricky. Some illuminating ideas are in research, such as hydrogen cars and renewable energy that can change the world in 2040, but you don’t know which company will succeed in the growth phase.

Three TSX stocks to buy and hold

Instead of putting all your money into illuminating ideas, you can diversify your portfolio across a business that never gets old, a future growth stock, and a [dividend stock](#). Here are three stocks that could survive the next 20 years. Some could even become large caps by 2040.

- **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#))
- **TransAlta Renewables** ([TSX:RNW](#))
- **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#))

Enbridge: 20 years from now

One business that adapts to the change is Enbridge. Do you know what the name means? A bridge to reliable, affordable, and cleaner energy. The history of Enbridge goes back 70 years when it only built oil pipelines as oil was the major source of energy. Then it gradually broadened its scope to natural gas pipelines. This helped Enbridge survive all oil crises in the last 20 years and continue growing

dividends.

Building new pipelines is becoming difficult year after year due to environmental concerns. But Enbridge has the leverage of existing pipeline infrastructure that it can use to transmit clean energy. As I see it, 20 years from now, Enbridge will have a greater share of gas pipelines and wind energy that generate regular cash flow. It will still be paying dividends, but the yield will probably be lower than today.

Enbridge is a resilient stock that may remain in the business as long as the United States and Canada trade energy. If you have \$5,000, you can invest \$2,000 in Enbridge and lock in a 6% dividend yield for a lifetime. In 20 years, your money could increase fivefold, and dividend income could increase twofold.

TransAlta Renewables: 20 years from now

As I said before, the shift to renewable will become a necessity instead of a choice, as the world feels the impact of global warming. Carbon-emission reduction has become a necessity. But the global energy crisis has shifted many European countries away from clean energy. Amid the sanctions on Russian natural gas, Europe is facing its biggest energy crisis. It will struggle to heat homes during winters. Hence, many countries have fired up their coal plants.

You may see some pullback in solar and wind energy in the near term, but investments will shoot up, as it is a sustainable solution to energy security. TransAlta Renewables would be among the beneficiaries of the change. It keeps acquiring and developing wind, hydro, natural gas, and solar projects. Most of the energy it generates is contracted and has a healthy free cash flow available for distribution. It is one of the energy stocks that pay [monthly dividends](#).

The company will have the backing of world governments, which will expedite its power capacity. After a few years, some projects will be paid off but will continue to generate income. Such projects will enhance TransAlta's profits. This stock could become a large-cap energy stock 20 years from now, as cleaner energy becomes a significant contributor to world energy.

Ballard Power Systems: 20 years from now

Ballard Power Systems is a growth stock that could make you a millionaire if its hydrogen fuel cell technology goes mainstream and replaces gasoline and electric vehicles. This technology is still in the testing phase, which explains Ballard's widening losses. But it is working with all major industrial players to build hydrogen fuel cells for bus, truck, rail, marine, off-road vehicles and stationary power markets.

Holding the above stocks for 20 years could reward you handsomely for your patience.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BLDP (Ballard Power Systems Inc.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:RNW (TransAlta Renewables)

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