



Millennials: 3 Buy and Hold Forever Stocks That Pay You Dividends

Description

About 25% of Canada's population today are [millennials](#) (born between 1981 and 1996). According to Fortunny, 42% of these millennials (aged 25 to 39) are spenders, not savers. Moreover, 55% of millennials in Canada find dealing with money to be stressful and frightening.

However, the **TD** Investors Insight Index shows that millennials are starting to invest at a much younger age than their parents' generation. Also, higher tuition costs, shrinking job prospects, and higher housing prices will not discourage them from investing. The Index also found that [retirement planning](#) and saving to buy a home are the top priorities of this generation.

Forward-thinking millennials who want to secure their financial futures can sock away money and invest for the long-term. Logical choices for beginners are well-established but growing companies that pay dividends. Money invested in buy-and-hold forever stocks compound over time. This means more retirement income in addition to pensions.

Repositioning for growth

Extendicare ([TSX:EXE](#)) is a frontrunner in Canada for providing long-term care (LTC), retirement living, and home health care services. The \$645.25 million company has been operating since 1968 and should be around for decades to come. Also, the share price is relatively cheap (\$7.27), and the dividend yield (6.6%) is super attractive.

While the healthcare industry continues to experience challenges, Extendicare has recovered remarkably from the pandemic's impact. In the first half of 2022, revenue and net earnings increased 4.5% versus the same period in 2021. Net earnings absolutely soared 713.5% to \$75.51 million.

Currently, Extendicare is repositioning and focusing on growth in LTC and home health care after selling its retirement home division. Management is advancing its redevelopment projects and expects six of these projects to break ground by year-end 2023.

Long-lived assets

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) is a diversified international generation, transmission, and distribution utility company. This \$12.5 billion company is relatively young (34 years), although it has already earned dividend aristocrat status. Management has increased its dividends for 11 consecutive years. The current share price is \$18.44, while the dividend yield is a healthy 4.98%.

In Q2 2022, revenue and adjusted net earnings increased 18% and 19.6% compared to Q2 2021. Cash provided by operating activities grew 160% year-over-year to US\$268.6 million. AQN's President and CEO, Arun Banskota, said, "We are pleased to report solid second quarter results and continued growth across our regulated and renewables businesses."

AQN owns long-lived assets where nearly 82% of the output is sold under long-term contracts. Furthermore, the production weighted average remaining contract life is approximately 12 years.

Resilient global franchise

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is a solid pick for millennials. The \$44.13 billion giant is 135 years old with a dividend growth streak of eight years. While earnings in Q2 2022 dropped \$1.6 billion (-58.9%) versus Q2 2021, net income attributable to shareholders increased 17.1% year-over-year to \$4.1 billion.

Roy Gori, MFC's President and CEO, assures investors that the global franchise is strong and resilient. Management also commits to delivering value to shareholders. If you invest today (\$23.15 per share), the insurance stock pays a high 5.46% dividend.

Waiting for the right time

According to the TD Investors Insight Index, millennial investors are more likely than boomers to increase the proportion of their income invested if the stock market improves. Long-term investing in well-established, dividend-paying companies is a solid strategy for millennials to save for retirement.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:EXE (Extendicare Inc.)
5. TSX:MFC (Manulife Financial Corporation)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. agraff
2. cliew

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Date

2025/08/22

Date Created

2022/08/25

Author

cliw

default watermark

default watermark