



How to Turn \$5 Into \$50,000 for Retirement

Description

I know, the title may sound like some clickbait nonsense. But I want to assure Motley Fool readers, it is absolutely possible to turn just \$5 into \$50,000 before retirement. And today, I'm going to outline exactly how.

Why \$5?

First off, let me get into why I've selected \$5. A \$5 investment is something anyone can put aside these days even when the market is down, and everyone is scraping by. Odds are there is *one* thing you could cut from your budget that would allow you to put aside that \$5.

Now I usually recommend that investors put aside 5% to 10% of their salary for investing. But right now, that just doesn't work for everyone. So, if you're looking to get started during this time of ultra-low share prices, then starting with just \$5 is absolutely better than zero.

The next step is to do this for every pay cheque. So that means you're putting aside \$5 ideally on a bi-weekly basis. This all adds up! By the end of the year, you'll have \$115 ready to be invested. And if you keep that up, it *really* adds up. You can always put in more, but just \$115 will help you on your way to achieving those retirement goals.

Choose a great stock

This is the trickier part. If you're looking to invest for retirement, you need to put that \$115 to good use. That means finding a [safe stock](#) that's going to pay out dividends. Dividends are ideal when you have a low amount to invest. You can use the dividends to reinvest in your strong stock choice over and over again.

While oil and gas companies were good investments in the past, if you're young and looking decades down the line, I would choose another energy stock outside this sector. Even the Organization of Petroleum Exporting Countries (OPEC+) has stated that by 2040, oil and gas is going to drop

significantly.

Instead, I would look to [renewable energy companies](#), and **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a great option. It owns practically every type of renewable energy asset and has assets around the world. It's also been expanding its deals with European countries looking to shift away from relying on Russian oil.

It all adds up

So let's see how long it would take to turn \$115 per year, and \$5 bi-weekly, into \$50,000 for retirement. All the while investing in Brookfield stock, and reinvesting dividends along the way. Your gains will certainly start out small, with the first year providing you with only about \$4.30 in dividends.

However, Brookfield is a growing stock with massive potential. In the last two decades, it's seen its shares grow by a compound annual growth rate (CAGR) of 15.6%! In that time, its dividend has grown as well, by a CAGR of 5%.

Put all together, it would take 28 years for you to have \$57,560 in your portfolio through this investment method. All based on historical performance, and by putting aside just \$5 each pay cheque!

CATEGORY

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

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
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