



Gen Z Investors: How to Retire by 50

Description

Gen Z investors have become more interested in investing these last few years. As growth stocks took the markets by storm just as they were entering the workforce, it proved to be an exciting time to start investing.

But exciting isn't always a good thing.

Now, Gen Z investors are learning what it means to invest in strong companies, not just exciting ones. And it's these companies that have proven time and again that they can help you reach early retirement. So early, in fact, that you could reach that retirement age by just 50.

How?

The biggest factor? Time. You may have already heard the phrase that it's not timing the market that makes the most money, but time *in* the market. And Gen Z investors have *so much time* in the market. You could put cash into one strong company, leave it alone, and still be left with an incredible amount by the time you're 50.

Let's say you're an investor that's 25 right now. You could be battling student loans, a bad housing market, a poor economy and still trying to find a career path. That's a lot to consider, and I understand if you're not putting investing first and foremost.

However, if you're able to put in just a bit of cash every so often, or put a windfall towards investments, this can be your key to reaching early retirement.

First, a top choice

But before I get into the numbers, let's first talk about a choice for Gen Z investors to consider. I would go straight to a Dividend Aristocrat, or even a Dividend King. That's a company that has increased [dividends](#) year after year for the last 25 years, or 50 years in the case of a Dividend King. And among

the dividend royalty, there's only one of the latter right now.

Canadian Utilities ([TSX:CU](#)) is a strong choice for Gen Z investors who want solid returns and dividends in the future. You can use those dividends to reinvest in CU stock as well. What's more, it's a great way to not only access the growth in oil and gas right now, but also the renewable energy transition of the future.

Shares of CU stock are up 4% year to date, offering you a [defensive](#) position during this downturn. In the last decade, it's increased 66% for a compound annual growth rate (CAGR) of 5.2%. As for the dividend at 4.86%, it's increased by a CAGR of 8.1% in the last decade as well.

Retire at 50

So you want to invest in CU stock and retire by age 50. To get there, there are a few options. Let's first say you have only \$5,000 to put down in CU stock today, and you plan on reinvesting dividends as you go.

In this case, after another 25 years and based on the historical performance we've seen, by the time you reach 50, you'll have a portfolio worth around \$98,692.81. That's great, but not enough to retire on.

That's why consistent investing at even a smaller rate is far more preferable. Let's say in this case you can afford to put \$5,000 aside each year. You do this every year for the next 25 years. That alone would create a portfolio of \$125,000!

But you're investing in CU, and reinvesting dividends. In that case, again based on historical performance, that would create a far great amount. If also reinvesting your CU dividends, it would create a portfolio worth \$844,380.22!

Bottom line

Now this is just an example. You may change your goals and need more by the time you retire. This is entirely possible. And, of course, you'll also want to diversify your investments beyond CU stock. However, the numbers do show that Gen Z investors can certainly create enough to [retire](#) on by the time they reach 50.

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