



Worried About a Recession? 2 Things You Should Do Right Now

Description

The TSX has been off to a decent start to 2019, but that doesn't mean everyone's outlook for what's ahead is particularly strong. A recent Ipsos survey found that nearly half of Canadians are in danger of not being able to pay all their bills every month, having a buffer of \$200 or less. Rising interest rates have made things more challenging for consumers, as we're seeing interest expenses rise, particularly on mortgages.

Then there's the report from BCA Research Inc. saying that Canada's close to "embarking on a serious recession," while the U.S. could continue to grow. Add in the [struggles](#) in the oil and gas industry, which is key to how well the country performs overall, and you've got a lot of negativity surrounding the economy. This doesn't mean that a recession will happen, but it's undeniable that investors will have these fears on their mind.

However, if you're concerned about the possibility of a downturn in the markets, there are a few things you can do.

Invest in defensive stocks

If you want to keep your portfolio safe under challenging economic conditions, then investing in stocks that provide stability and consistency is key. A good example of this is **Waste Connections Inc** ([TSX:WCN](#))([NYSE:WCN](#)). The waste management company's services will be needed under all circumstances. We produce a lot of trash and not having someone there to collect and dispose of it would create some very unsightly and smelly problems for everyone.

A stock like Waste Connections doesn't need to focus on trade wars or tariffs. After all, it can simply pass those costs onto consumers and businesses that will have little choice but to accept the increases. Waste management is necessary to keep our world moving, and investors won't have to worry about the company running out of demand for its services anytime soon. As the population grows and we continue to accumulate more consumer goods, trash will continue to pile up.

In addition to stable, recurring demand, Waste Connections has also been able to generate significant [growth](#) over the years, building via acquisition. It's but one example of a stock that you can hold in your

portfolio for the long term.

Use low-risk dividend stocks to help minimize your losses

Investing in a stock like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a fairly low-risk move. Over the long term, there's little doubt that the stock will rise in value. In the short term, it can be used to accumulate dividend income which can help offset losses incurred during a downturn. Even if the stock itself isn't soaring, as long as the economy inevitably recovers, so too will its stock price.

The dividends, however, will be yours to keep. With a payout of 3.7% annually, TD offers investors a solid return that has minimal risk of being cut even if a recession does happen. While there are other stocks out there with higher yields, they'll also offer carry significantly more risk and uncertainty. Heading into a recession, you'll want to mitigate uncertainty however you can, and sticking to a stable investment like TD is a good way to do that.

That said, there's no guarantee that a recession will happen. However, having a strategy in place is half the battle.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. NYSE:WCN (Waste Connections)
3. TSX:TD (The Toronto-Dominion Bank)
4. TSX:WCN (Waste Connections)

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Date

2025/08/26

Date Created

2019/01/24

Author

djagielski

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