



## How to Invest in Your 20s

### Description

Your 20s is a critical period of your life. Paying close attention to the investing tips below could mean retiring a millionaire versus working for the rest of your life.

While the following advice is valuable, there's only one way to ensure you'll be rich: start saving today! Seriously, if you don't have a brokerage account, open one now. If you've already started, congratulations. Just make sure you regularly contribute capital. Establishing automatic investments is the best way to accumulate an impressive portfolio with little effort.

Here's an example on why starting now is so important. Let's say you're 25 with \$0 in savings. If you invest \$5,000 per year and earn 8% annual interest, you'll wind up with a cool \$1 million by the time you're 60. If you wait to start investing until you turn 35, you'll only wind up with \$430,000.

Take note of the tips below, but know that your secret investing power is *time*, not skill.

### Buy what you understand

This is one of the simplest tricks in the book: buy what you understand. After all, you're a consumer just like everyone else. If you have positive feelings toward a company and regularly purchase their products or services, many others are likely doing the same thing. People in their 20s are especially well-suited to spot up-and-coming brands.

Take **Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#)), for example. In 2017 the company went public at \$23 per share. At the time, if you had walked the streets of New York City or Toronto, you would know that this brand was blowing up. Nearly everyone was purchasing a Canada Goose product. A huge counterfeit market was created simply to outfit people who wanted to wear Canada Goose but couldn't afford it.

Over the next 18 months, Canada Goose stock quadrupled in value. Most investors clearly didn't anticipate the rise, yet if you asked twenty-year-olds which brand was on the rise, many would have pointed directly to Canada Goose.

## Own the world

Buying what you understand likely means you'll be purchasing companies in your city, region, or country. That's not a bad start, but there are plenty of opportunities abroad, especially in high-growth areas like Asia.

Since you don't know these regions well, it's helpful to have a legendary investor keep track of your capital abroad. That's exactly what you get with **Fairfax India Holdings Corp** (TSX:FIH.UN).

Fairfax India is managed by **Fairfax Financial Holdings Ltd**, which is lead by Prem Watsa, the Warren Buffet of Canada. Since 1985, Watsa has grown book value by an impressive 17% per year a track record not many investors can match. Born in Hyderabad, Watsa has a deep network of business connections in [India](#) that help him source attractive deals at great prices.

If you want to add long-term, high-growth opportunities to your portfolio, this is the stock to buy.

## Take a risk

If you're closing in on retirement, taking a gamble isn't advised. If you're in your 20s, it's a no-brainer from time to time.

Consider **Crescent Point Energy Corp** (TSX:CPG)(NYSE:CPG). Since 2014, the stock has lost 90% of its value. It's currently being priced as a bankruptcy candidate. However, management thinks they'll generate huge amounts of free cash flow this year, enough to pay down debt and repurchase stock.

Executives believe the company is worth between \$5.37 and \$13.38 per share. If they're right, you can double or triple your money in as little as 12 months, using the stock buyback program as the catalyst.

This is a high-risk opportunity, but young investors who can stomach the volatility have a great chance of hitting a home run.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. NYSE:VRN (Veren)
3. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
4. TSX:GOOS (Canada Goose)

5. TSX:VRN (Veren Inc.)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **Date**

2025/08/24

## **Date Created**

2019/07/14

## **Author**

rvanzo

default watermark

default watermark