



Millennials: 3 Things Not to Learn From Your Baby Boomer Parents

Description

Before I get too far, I will admit that yes, I *am* a millennial. I'm part of that generation that the world loves to blame their problems on, but frankly, it's time to take a step back and ask the question: who raised us?

That's right, the baby boomers raised us. And while I have learned an incredibly large amount of great things from my parents, I think it's only fair to admit that there will also be some mistakes in there that I won't want to duplicate.

I'm not saying my parents made the mistakes I'm listing here, but it's clear that the baby boomer population has passed down some behaviour that millennials should be putting a stop to when it comes to investing.

The main theme that seems to come up: fear.

Fear of losing. Fear of missing out. Fear of a recession. Fear of not understanding the basics of investing.

But it's not all that complicated, and you can certainly start investing right now without making these easy baby boomer mistakes.

Where would I even start?

There are so many options out there for investors. If you're a millennial, the best time to start is right now. Millennials are entering a phase of their lives in which they are finally making some money to put aside. While it likely won't be a lot, it's still something, and something is better than nothing.

So here comes the first mistake: fear of the unknown. It can be intimidating to start up something new, especially something that involves your money.

During the 1980s, when millennials were born and their parents were our age, there was a terrible

recession, increased inflation — and don't get me started on mortgage rates. So who would want to think about investing in something new?

But here's the main advantage we have today: the Tax-Free Savings Account (TFSA). It can be scary if you're worried about not just losing money from the markets, but losing money to taxes.

Thankfully, the TFSA allows you to just take out what you've made (or lost) tax free. So if you need a place to start, start by opening a TFSA.

But I don't have much!

As I mentioned, anything is better than nothing. As a millennial, you stand to make significant gains by putting a little bit away, and then leaving it alone.

Baby boomers saw their funds decrease while still trying to pay down a mortgage, so millennials have both tried to stay at home for as long as possible, and keep their money close to hand in a savings account with likely very little interest.

But there's a better way (and a better way to take advantage of living at home) If you aren't paying rent or a mortgage, that leaves you with more funds to set aside.

Even with rent or a mortgage, with just \$100 to put aside, that money can grow if you leave it alone for decades, especially if you choose a stock with dividends.

For example, let's say you get \$5,000 from your grandma and then put it into a [solid banking stock](#) like the **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

That's \$5,000 you'd have to put away plus dividends that can be reinvested. For now, you can't afford to do that, so you decide to just leave that stock alone for the next 20 years.

Looking at TD's performance, the stock has increased by almost 400% in the last 20 years. If we assume a similar — though slightly conservative — trajectory, that turns your \$5,000 investment into \$38,567.14 with dividends reinvested.

Stop obsessing

Baby boomers are stressed out when it comes to investments. To be fair, they've been through a lot. I mean, after all, they had *you* to pay for. But where you can be different is by just starting to invest. The best time to start is today, and the earlier you start, the more money you'll make.

Granted, all of this hangs on doing your own research and talking to your banker. Open that TFSA, come up with some goals in mind, and begin putting a few bucks aside to put toward investments.

You don't have to buy up cannabis or tech stocks in this volatile market, just stick to some conservative holdings that can see you through for decades.

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