



3 Investing Lies to Stop Telling Yourself

Description

Learning about how to invest will equip you with a lifelong skill that can make every part of your life easier. Unfortunately, many people get stuck in the phase of not even starting to invest.

If you're in this phase, avoid telling yourself these three lies about investing.

Investing lie #1: I'm too young to worry about investing for retirement

Maybe you're just starting out your career and landed that first "real" job out of university. You might say that you'll invest when you're older and making more money. The reality is that when you're young is the absolute best time to invest, because of the power of compounding interest.

You might fall into the trap of spending more when you earn more and will never be able to start investing. This is why it is better to get into the habit of saving a portion of what you make. Habits are best built if you don't have to think about doing it.

A good way to do this is to set up either an automatic payment to a [TFSA](#) or RRSP. Better yet, you can set it up so it will automatically invest in a stock or ETF of your choosing. You can do this through your bank or online brokerage, or sometimes your employer will offer this benefit.

With the magic of continuous compounding, a dollar saved in your 20s could be worth 10 times as much in your retirement age.

Let's take a look at **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)). The company has been in operation for more than 100 years. With more than \$1.1 trillion in assets, Manulife is an ideal choice for beginner investors. Its principal operations in Canada, the United States, and Asia are expanding. The \$42.41 billion company is a provider of financial services and insurer as well as wealth and asset management.

Manulife pays an annual dividend of 4.51% and offers potential capital gain. Would-be investors can maximize returns and grow their savings by reinvesting dividends.

Manulife's average total return since its IPO in 1999 is close to 7% per year. A small \$1,000 invested, which has a 7% return, at the age of 25 will be worth \$16,445 at the age of retirement of 65. This is over 16 times the original value! This is what the magic of continuous compounding will do.

Investing lie #2: I'm not a finance expert, so I shouldn't invest

This lie is understandable. There are thousands of stocks and news articles with conflicting information. It can be daunting for someone just starting to learn about what to invest in.

Seek out an investment mentor. Many turn to the greatest investor of our era, [Warren Buffett](#). You can read up on his philosophies and investment principles.

Once you start learning about investing, you might realize that it can be one of the most rewarding and interesting fields to learn about. The satisfaction of taking control of your finances and steadily building your portfolio is something to be really proud of.

Investing lie #3: I'm too old to be investing; it's too late to start now

People are living longer and healthier lives. Just like it's never too late to go traveling, learn a new hobby or skill, or exercise, it is never too late to start learning about investing. Not only will learning about investing help you grow a nest egg for your retirement, but learning a new skill at any point in your life will keep you mentally sharp.

Final thoughts

You're never too young or too old to start investing. Even if you aren't a finance expert, anyone can learn about investing if you apply yourself to it. The most important thing is for you to just get started.

CATEGORY

1. Dividend Stocks
2. Investing

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