3 Mistakes Millennials Need to Stop Making

Description

A little while ago, I wrote about the mistakes millennials have been making when it comes to copying their baby boomer parents. In that article, I wrote how many millennials don't know where to start, believe they don't have much to put away, and can obsess on ways things could wrong rather than just going for it.

Today, I'm going to look at some other ways millennials need to up their game when it comes to investing and some common problems many run into. While the main factor continues to be starting to invest in the first place, there are a few other things millennials should watch out for when it comes to investing.

Not making automatic payments

It can sound pretty great to just put some cash into a Tax-Free Savings Account (TFSA) and just watch your stocks rise. However, a mistake many millennials are making at the moment is not continuing those payments. While many articles here at the Fool focus on putting, say, $15,000 away one time and seeing it rise with an investment in one great stock, that's not something you should do over the long term.

Instead, whether it's every paycheque every month or every year, you should have a number in mind that you aim to put away into the portfolio of your choice. That way, it gives you a chance to take a hard look at your portfolio again and again and see whether you want to put your cash back in the same stocks you already have or to diversify further and consider something new.

Not having a goal

Are you still living at home? Do you have student debts? Are you getting married? Have you had children? These are all different types of goals to consider, and are why having those automatic payments are such a great idea. Each gives you as an investor a clear idea with a clear number inmind of where you want your investments to be.

That means this will also create a path to diversifying your investments so that when one area of the markets goes down, other areas will hopefully pick it up unless we're in a recession. This is a great way to keep moving towards your goal so that you can cash out whenever the time comes that you need that cash.

Not diversifying investments

I've been hinting at this throughout the article, but investors need to create a diversified portfolio for the reasons I mentioned. Having some diversification creates a safe means of making money, and there are a few you should look out for. Banking institutions are a great way to see your funds rise on a steady increase, and right now I would recommend **Toronto-Dominion Bank** as a great option.

The stock is trading well below fair value, with an incredibly promising future outlook. The stock is now Canada's most American bank, meaning it gives you that wanted diversification, while increasing the company's revenue growth over the long term. It has also expanded into the area of wealth and commercial management — a highly lucrative area.

I would also consider buying some energy stocks at the moment, as oil and gas prices have sent shares tumbling. A great stock to consider would be **TC Energy** (TSX:TRP)(NYSE:TRP), which has actually been on a steady increase, even while other pipelines plummet. The company continues to pump out stellar earnings, and when oil and gas gets up and running again, this company will seriously benefit as a pipeline company.

What both of these stocks also offer are dividends. Dividends means you'll have cash coming in even when the markets are down, and both have a history of steady increases in dividends. That cash can then be used to reinvest into your portfolio, which you can do when those automatic payments come through.

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