



1 Investing Trend to Watch as Baby Boomers Age

Description

As baby boomers continue to age, eventually millennials will take over as the largest living generation. This will inevitably bring about changes to society, the economy, and the stock market.

Millennials have far different spending, saving, and investing habits, and they are incentivized by a number of different causes.

At the moment, not many [millennials](#) are invested in the markets, and those that are don't have much wealth, but over time this will change and inevitably grow, which will bring about changes in the market.

As more millennials are investing and fewer baby boomers become invested, the demand for stocks with a social purpose, or companies that produce green energy and tech stocks, is likely to increase.

Consequently, the need for income stocks will decrease, as the percentage of population in or near retirement decreases.

These major generational changes can bring about new trends, and investors aware of what is happening can get ahead of this change to position themselves for profitability.

Not only does it matter where the money is flowing in the markets, but the spending habits of millennials will also shape our future economy.

Consumption makes up the largest part of our GDP, so consumers can be extremely powerful, especially when major trends are being created.

One security, every investor should get behind is **iShares S&P/TSX Capped Information Technology Index ETF ([TSX:XIT](#))**.

The XIT seeks long-term capital growth and is designed to give investors exposure to Canadian tech stocks.

Its top three holdings make up roughly 75% of the fund, so it's heavily weighted to **Constellation Software**

, **Shopify**, and **CGI**. All three are the largest tech companies on the TSX, with market caps above \$20 billion.

Constellation Software is a \$28 billion software company that serves a variety of businesses and government organizations. It has operations in Canada, the U.S., as well as Europe.

Constellation builds industry-specific software to solve the problems and needs of its clients on a case-by-case basis. It continues to create innovative solutions that help its customers to achieve their objectives.

Shopify is a nearly \$50 billion company and one of the most popular stocks on the TSX. It's the largest of the bunch, and it too is a software company. It provides a number of services to small- and medium-sized companies to aid in the e-commerce business.

Shopify is an investor favourite because of the incredible performance its stock has put up, returning nearly 1,200% in the last five years since its IPO. It will continue to grow as e-commerce and the entrepreneurial spirit continues to flourish in Canada and around the world.

CGI is an IT and consulting company that works with companies worldwide to deliver a number of different capabilities. Through high-quality execution, it has built itself up to be one of the biggest IT and consulting companies in the world.

In the last five years, its stock is up roughly 170%, and today its market cap is nearly \$25 billion. It will continue to grow through acquisition as well as organically, as the demand for its services continues to increase.

These companies are the leading tech stocks in Canada, and in the last three years the XIT has a nearly 100% return. This is reflective of the increasing interest in the tech space both from the consumer side as well as the investor side.

The innovation and growth in tech will only continue to get larger and more important, so I don't see this trend fading any time soon.

CATEGORY

1. Investing
2. Tech Stocks

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1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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