



## Forget the Lottery and Bitcoin. Aim For a Million Like This

### Description

Making a million overnight is a highly appealing idea to most people. However, the chances of achieving that goal, and the risks involved in pursuing it, are likely to be highly unfavourable.

For example, the chances of winning the lottery are exceptionally low, while Bitcoin's performance over the last few years shows that it is highly volatile and difficult to predict due to its lack of fundamentals.

As such, investing in the stock market could be a better means of making a million. Its track record shows that it has consistently outperformed other mainstream assets, with a value investing strategy having been highly successful for investors such as Warren Buffett.

Since stock prices have experienced a period of uncertainty in recent months, now could be the right time to [buy a range of companies](#) with the aim of making a million over the long run.

## Gambling vs investing

Buying stocks may seem to be similar to gambling in some people's eyes. After all, the future is a known unknown, and there is no guarantee that stock prices will rise.

However, buying stocks is very different to playing the lottery and even buying Bitcoin. Investors in stocks have access to a wide range of information that can heavily influence their investment decisions. For example, they can focus on annual reports, macroeconomic forecasts and the valuations of companies before making a decision to buy or sell.

By contrast, winning the lottery is purely down to luck. Bitcoin lacks fundamentals, with its price being determined solely by demand and supply. As such, it is not possible to know whether the virtual currency offers good value for money, thereby making it more akin to gambling than investing.

## Value investing

Buying stocks while they trade at a discount to their intrinsic values has been a highly successful strategy for many investors over the long run. It enables investors to buy a high-quality stock while it offers a favourable risk/reward ratio, with the end result more likely to be a profit when compared to buying lower-quality stocks that trade on high valuations.

With the world economy currently facing a period of uncertainty due to risks such as a global trade war and Brexit, there may be opportunities to capitalise on favourable valuations across a variety of sectors.

Certainly, there is scope for the stock market to experience a period of negative returns. But its track record shows that it is likely to produce total returns that are in the high-single digits over the long term.

Therefore, buying a range of stocks today having researched their valuations and potential growth rates could be a sound means of seeking to make a million. It may not offer overnight returns of the level provided by the lottery and Bitcoin, but it could prove to be a better means of making a million.

## **CATEGORY**

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