



## Over 50% of Young Canadians Are Making This Huge TFSA Mistake

### Description

Boomers often give millennials a bad rap for a lot of things. From the consumption of tide pods to the fall of the housing market, and even the destruction of businesses, boomers seem to blame millennials for everything. However, I think the real problem is that millennials don't seem to have much money.

Generation by generation, the trend of growing salaries is quite common. That said, increased average wages don't necessarily mean millennials have a lot of money coming in. Millennials are just smarter with the money they are earning.

### Saving for the wrong reasons

Savings, as a concept, seemed to be an evasive one for boomers. Millennials prefer to spend their money wisely. Instead of going all out with their cash, they prefer living at home and stringent spending so they can save more money. Contrary to popular belief, four out of five millennials have savings put aside for a rainy day.

If millennials are saving money, then what's the problem? While millennials do put aside money every month, they're not using those savings for investment accounts.

The younger generation saves money to meet their needs, from moving out of the house to getting a new car or paying off their student loans.

*This* is the crucial mistake that most millennials are making. What good is the money you've set aside if you're not using that money to do the work and make more money for you?

Millennials typically blame boomers for their financial issues. These issues include student loans, the housing market inflation, and other problems that prevent them from investing their funds.

More than half of millennials don't even know much about investing in the first place. Having heard of investments in passing, they tend to assume that investing is overwhelming and confusing.

They're afraid of losing the money they've saved, and some do not even trust banks to hold their money for them. I firmly believe things don't need to be that way.

## Making your money work for you

Whenever I'm talking to millennials about these issues, I *a/ways* tell them that they should at least take a portion of their savings and put them in a tax-free savings account. TFSAs do not charge management fees. You have the option of investing anything from conservative to aggressive growth assets in them. I also recommend going with [safer investments](#).

If you want your money to do the work for you and make more money for you, a TFSA with long-term storage is the best way to go. While you might be tempted to consider high growth potential stocks, I suggest going with something slower and steadier. Consider **Telus Corp.** ([TSX:T](#))([NYSE:TU](#)).

One of Canada's major telecom companies, Telus is a company that continues to grow. There is a chance for a [market downturn](#) in the coming year, and I believe a safe investment can help you protect your savings.

Telus is a dividend-paying stock from a stable company. When a recession hits, people still need to communicate with one another, ensuring a strong demand for telecom companies.

## Foolish takeaway

At \$47.89 per share at the time of writing, I believe Telus is a steal for millennials. Leaving your money idle won't help you save. If you invest your money in a dividend-paying stock like Telus and store it in your TFSA, things can look very different in the long run.

Not only can Telus retain a decent valuation through a recession, but the stock will also keep adding more money into your account due to its 4.70% dividend yield. Young investors should seriously consider taking a closer look at Telus so they can take full advantage of it.

### CATEGORY

1. Dividend Stocks
2. Investing

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**Date**

2025/08/07

**Date Created**

2019/10/29

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