



## Tesla Inc. Is Expensive: Own This Car Stock Instead

### Description

Hot technology stocks have been all the rage for the better part of the last decade. On the automotive side, **Tesla Inc.** ([NASDAQ:TSLA](#)) has tended to resemble these high-flying technology companies more than the automotive companies against which it competes.

This has led to a more than doubling of the stock price from its 52-week lows in the low \$200 range to the current closing price of nearly \$600 as of this writing.

I have to admit that I own some shares of Tesla. I like the company's focus on creating a beautiful electric car for the future. I fully buy into Elon Musk's non-Tesla dreams and ambitions, from renewable energy to settling on Mars.

That said, I did make sure that I got my original capital — and more — back as soon as I could. I sold the shares as soon as I could to get my capital back and more. The question then became, *what should I do with the gains from these Tesla shares?*

After selling half of my Tesla shares to get my original capital back from this high-risk, high-reward play I decided to put the proceeds into something a little more stable.

With the gains from Tesla shares, I decided to buy some [more shares](#) of **Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)), another player in the automotive sector.

Magna is a major player in the automotive parts space and a supplier for many automobile producers. The company makes everything from specific parts like seats and lights to complete vehicles.

In recent years, the company has been investing heavily in producing parts for autonomous vehicles, putting it on the vanguard of this emerging transportation technology.

Although this is a Canadian company, Magna has operations around the world, making it a highly diversified automobile company. It has operations in China, South America, Europe, and of course North America and is poised to capitalize on growth from these regions in the coming years.

The dividend is one of the main reasons I like to put my money into this auto parts maker. At the time of this writing, Magna [had a yield](#) of approximately 2.84% paid out on a quarterly basis.

The dividend has been growing for years, with the last dividend increase amounting to an 11% hike in the quarterly payout. If history is correct, there should be another raise coming up in the next month.

While Magna has a great history of financial results, it's not immune to economic downturns. The one worry I have is a fairly long and painful recession.

If this were to occur, Magna would suffer in the short term. On the bright side, however, such a slowdown would mark an excellent time to add to my position in this company.

## The Foolish takeaway

I like owning a high-flying tech stock like Tesla and have still hung onto half my shares. But I prefer to have most of my money in more secure, dividend-growing companies.

For me, Magna is an excellent company in which to put my gains to generate steady, long-term results. If you are willing to weather a recession, owning Magna for the long-term will be a great way to generate steady results and a growing income stream.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:MG (Magna International Inc.)

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