



## 3 Dreadful Investing Habits to Break in Your 20s

### Description

Life revolves around the habits you build. In some estimates, as much as 40% of our daily routines are guided by habits. Starting each day from turning on a light in the morning, to sleeping on the same side of the bed every night, humans are habitual creatures that gravitate toward routine.

Like any other human behaviour, investing is also [built on habits](#). You can either develop good investing habits or bad ones.

If you're starting to form your investing habits in your 20s, here are three common bad habits to break or avoid:

### Putting off investing altogether

It's easy to justify not investing in your 20s. You're just starting your career, so you're not making a lot of money. You also have a lot of things you want to buy in your 20s like a car, house and travel. It's easy to be about to turn 30 and realize that you don't have any money invested, or even worse, are in debt.

Form a good habit of trying to save at least a small amount of every paycheck. Starting even with 1% is better than nothing. Or even better, automatically contribute it to your TFSA or RRSP directly after you receive your paycheck.

### Buying high and selling low

A common mistake is to rush into investments that are performing well (buying high), then selling in a panic when the investments start to tank (selling low).

Form a good habit of understanding that markets go through cycles, and highs and lows are going to be a part of the process. Don't let emotions get the best of you when investing.

## Not understanding what you are investing in

Psst, wanna buy some Bitcoin? Sure, a small handful of people have gotten filthy rich off Bitcoin. But countless others have lost a lot of money by buying into the cryptocurrency at the height of the 2017 frenzy.

Do you understand Bitcoin, and how it's underlying technology works? Do you know how it will be used in practical applications in the future to generate revenue? If the answer is no, then don't buy! You'd have better odds taking your investment to the casino and betting it on red.

A better option is to invest in a company that you can properly research, is producing revenue, and has a long history of success. For example, consider investing in a company such as **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), Canada's largest pipeline company with a market cap of \$113 billion.

With a pipeline network that boasts 17,000 miles and an upcoming infrastructure upgrade that will take the line's capacity to 760,000 barrels per day, ENB is showing no sign of slowing down. From Q4 2017 to Q3 2019, the company has grown its net income from US\$2.27 billion to US\$4.56 billion.

Best of all, the company provides a solid 5.96% dividend to its investors. The yield provides you with passive income that you can sit back and collect every three months.

Unlike Bitcoin, it's easy to understand what [Enbridge's](#) business does, and the company has financial reports that you can read and analyze.

## Conclusion

Develop good investing habits in your 20s in order to enjoy a rich and prosperous 30s. Once you develop the habits, they will be around for the rest of your investing career.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
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