



Become a Self-Made Millionaire From the Next Market Crash

Description

Market crashes come every 10 years or so, in which the bear can swipe away half the wealth on the market! It's not a pretty scene, as there will be blood on the streets, but that's the exact time to jump on the rare opportunity and buy to [become a self-made millionaire](#).

To prepare for it, you need several things: a heart of steel, cash or cash flow, and a list of top stocks.

A heart of steel

Start training yourself now so that you won't be swayed by the emotions of the moment. The first reaction that investors have when their stock portfolios are cut in half is to cut losses as they give in to their fear.

Sadly, many people lost too much of their life savings during the financial crisis aftermath in the last recession.

The bear can attack any time. It can be tomorrow, next year, or five years later, for all we know.

To train yourself, visualize your portfolio losing half of its value. Additionally, you need to train yourself to react the opposite way so that you can seize the opportunity when it comes — buy when others won't. As Warren Buffett said, "Be fearful when others are greedy and greedy when others are fearful."

Cash (or cash flow)

Stash your cash in a high-interest savings account or short-term GIC so that you have lots of cash to buy when others won't, because they're too scared or can't because they're depleted of cash.

Alternatively, you can focus on building multiple income streams, including building your portfolio around generating stable cash flow.

The stock market tends to go up over the long term. So, you want to stay invested.

By holding assets that pay you cash periodically — every month or quarter — you can use the cash to buy stocks at rock-bottom prices during a market crash.

Assets that generate cash flow, include real estate and dividend stocks. Of course, your job or business income can also generate nice cash flow for you to buy stocks at dirt-cheap prices during a market downturn.

With cash or cash flow, you'll have plenty of resources to take advantage of a bear market.

A list of top stocks to buy

To prevent from being swayed by emotions and making the wrong buy decisions, create a list of top stocks to buy now *before* a market crash occurs.

The number one stock type to focus on buying will be growth stocks. Any company that has a growth rate of at least 15% per year in a normal market will do.

But it should [make you a self-made millionaire faster](#) if you jump on companies that are growing at even more outrageous rates, like **NVIDIA**, which just increased revenue by 41% and adjusted earnings per share by 136% year over year.

Here's an example of how NVIDIA can create tremendous wealth for its shareholders in a bear market. The stock fell 50% in late 2018. There were two good chances for believers to pick up the stock at under US\$140. From there, the stock has already doubled.

In order to make a million, you would need to have invested \$500,000. At the US\$140 level. Obviously, most people don't have that money lying around.

So, not only are you counting on a strong comeback of your super-growth stock holdings after the market crashes, but you're also counting on the compounding effect of the incredible growth rate that these companies may offer.

Make sure to spread your money across multiple ideas. Another ridiculous high-growth stock that many investors believe is overvalued is **Shopify**. But time and again, it would fall or consolidate and then continue its way higher.

Investor takeaway

You've got to stay invested in the stock market to build incredible wealth over the long run. In anticipation of a market crash, though, investors can be better prepared by doing mental training of their stock portfolio in a market crash, accumulating cash, focusing on building multiple streams of cash flow, and deciding on a list of super-growth stocks to buy during a crash.

CATEGORY

1. Investing
2. Tech Stocks

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/26

Date Created

2020/02/16

Author

kayng

default watermark

default watermark