



2020 Stock Market Crash: 2 Ways to Invest and Retire Rich

Description

The 2020 stock market crash is a golden opportunity for anyone to invest and potentially [retire rich](#) or get much closer to their financial goals.

If you have money sitting and waiting to be put to work, here are two investing approaches to consider: build a quality (dividend) stock portfolio or maximize returns.

Invest to build a top-notch dividend portfolio

This 2020 stock market crash is the perfect opportunity to build your dream stock portfolio. There are 11 sectors in the market, but in general, for now, you probably want to stay away from the stocks in energy, materials, and industrials.

From the remaining sectors, it'd probably be best to consider companies in technology, health care, and consumer staples. These sectors tend to be more resilient in a bear market.

After that, you can consider stocks in financials, consumer discretionary, telecom, utilities, and real estate.

If you want to build a top-notch portfolio, my guess is it's for the long term. Therefore, you'd want to employ a top-down approach in which you choose the top stocks (i.e., businesses) from the industries you believe have a bright future ahead of them.

Within sectors, there are industries that offer better value or others that offer greater resilience to the current bear market. Investors must determine whether value is there or if there's more room for downside.

Industrial stocks will come out super strong in a recovering and expanding economy. We're far from that now. And in fact, global economies are likely to contract abruptly in 2020. However, they could also recover lightning fast once the coronavirus pandemic subsides. Simply put, you can add to top industrial stocks later on.

Don't forget to consider U.S. stocks, too. We just don't have a lot of choices for tech and healthcare stocks on the **TSX**.

At today's relatively cheap valuations, you can start buying into top stocks like **Microsoft**, **Medtronic**, and **Pepsi**.

If you choose top stocks that pay safe dividends to build your portfolio, you'll get a nice passive income stream. A lot of investors love that. Moreover, it's reassuring to see the income coming in, which can help you pay bills or buy more shares in today's bear market!

Invest to maximize returns

In a stock market crash, which are thankfully rare, aggressive investors aim to maximize total returns. Needless to say, this is a riskier strategy than the dividend strategy above, although it could make you very rich.

First, you need unwavering confidence in the turnaround or high-growth stock picks.

Second, you need patience. It could take years for the turnaround to occur in full force.

Third, you need to think more carefully about timing than in the conservative investing approach discussed above.

For example, I bought **Air Canada** shares as a turnaround investment. I was way too early. My starter position is down a whopping 62%.

I'll probably add to the position at some point. If it gets close to bankruptcy as it did in the past, it'll pretty much be a gamble on a stock that *could* potentially make investors [a million dollars](#).

If you choose this investing approach, select multiple high-conviction turnaround/growth stock ideas, and determine which price ranges you'll buy them at.

Likely, you'll find turnaround stock candidates, such as **CCL Industries**, in the industrials sector, and high-growth stock ideas in companies that innovate (probably in the technology sector).

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