



## 3 Growth Stocks to Buy and Hold For the Next 50 Years

### Description

It seems impossible to believe it right now, in the middle of the mess, but there will come a time when 2020's coronavirus contagion will be a faded memory. That time is well down the road to be fair. This pandemic seems to be far more disruptive than the previous outbreaks like SARS or the swine flu, especially in the U.S. But nothing lasts forever. This too shall pass. Still, it's proven a major test even for the staunchest long-term investors.

With that as the backdrop, here's a look at three [growth stocks](#) built to eventually overcome the near-term effects of COVID-19, and continue forging ahead into the future. That certainly doesn't mean they're immune to other headwinds that are sure to surface in the meantime. But these companies are built on models that ultimately prove timeless.

### 1. Amazon.com

It seems obvious almost to the point of being cliché, but **Amazon.com** ([NASDAQ:AMZN](#)) isn't a 50-year pick based on what it's doing well right now. It's a lifetime holding rooted in what it will probably be doing in the year 2070: That is, dominating whatever markets it chooses to enter.

While Amazon's share of the e-commerce market is hotly debated and changes from one continent to another, there's no denying it enjoys a commanding control of the online shopping arena. It's never just been about selling cheap goods to millions of buyers at great prices, though. Amazon's overarching strategy has always been about quietly becoming the digital centerpiece of your life. In January, the company said more than [40 million people](#) are now using its Fire TV devices. It's got a couple dozen Amazon Go stores up and running (although temporarily closed due to the coronavirus), with whispers circulating that it could expand them in the thousands. It's in the [grocery store business as well](#), with big plans on that front, too.

In the meantime, more than [150 million paying Prime customers](#) not only don't think twice about placing online orders — since shipping is usually free — they don't think twice about plugging into Amazon Prime's streaming video library. Coresight Research estimates that Amazon is also now the United States' most shopped apparel retailer.

What Amazon may look like in the distant future isn't perfectly clear. But it's got a decisive lead on many fronts, and strong offerings in even more product and service categories.

## 2. Microsoft

As was the case with Amazon, we don't know exactly what software giant **Microsoft** ([NASDAQ:MSFT](#)) will look like 50 years from now. But, also like Amazon, Microsoft is the dominant name in its core market right now. It may not be a player in the tablet space, but Statcounter says its Windows operating system still powers 77% of actual computers in use today. Net MarketShare puts the figure closer to 90%. That means other software as well as hardware companies have to prioritize making Windows-friendly products. This in turn means consumers and companies choose Windows-based machines when it comes time to upgrade, and so on.

The [technology](#) giant is hardly relying on its past business models to grow into the future, though. It's adapting to the new reality of consumer and corporate tech. That's cloud-based software, which drives recurring [subscription revenue](#) rather than one-time purchases of software. Microsoft reported it now had more than 37 million subscribers to its cloud-based productivity suite Office 365 (recently renamed Microsoft 365), but much of the revenue produced by its [Intelligent Cloud](#) unit also comes from service work that's done on a recurring basis.

And it's not as if cloud computing is going away. In November, before the coronavirus pandemic took hold, information technology market research outfit Gartner predicted the cloud computing market would grow 17% this year and then accelerate in 2021 and 2022. That growth has since been disrupted, but the technological underpinnings are likely still in place.

Point being, Microsoft has a long runway into a future that plays into the hand it's holding.

## 3. Shopify

Finally, add e-commerce enabler **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) to your list of names built to thrive well into the future.

Admittedly, it's the least established name of the three. It's also ultimately competing with another name on the list — Amazon. But it's a much-needed alternative to Amazon that smaller companies are increasingly appreciating and using. Shopify's top line of \$505 million for the last quarter of 2019 was up 47% year over year, capping off a year in which total revenue of just under \$1.6 billion was also up 47%.

That sort of growth is made possible by Shopify's business model. It's not an online retailer. Rather, it [offers tools and services](#) that help companies of all sizes build and manage an e-commerce platform they completely control themselves. This approach allows each client company to custom-build their

own solution without forcing any of them to compete with the platform's owner. Amazon has been criticized in the past for leveraging its third-party sellers to [ultimately serve its own interests](#).

Shopify's future is less about being the un-Amazon, though, and more about just capitalizing on the shape of things to come. As big as the e-commerce industry has become, Digital Commerce 360 estimates that only 16% of last year's retailing in the U.S. was done online. That proportion continues to grow steadily, but there's still a great deal of room for e-commerce to capture a bigger share of the nation's \$3.7 trillion [retail](#) market.

## CATEGORY

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2. Tech Stocks

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1. Syndicated

## TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NASDAQ:MSFT (Microsoft Corporation)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:SHOP (Shopify Inc.)

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