



Millennials: 3 Moves to Ensure You Are a Retired Millionaire

Description

Most of you are working right now to secure your future and lead a comfortable retirement life. You need to save and invest your monthly income, which will help you build long-term wealth. Saving for retirement is more like a marathon rather than a 100-metre sprint, that requires focus and discipline. We'll look at three moves that will help you retire with a million dollars.

Start saving as soon as possible

You need to start saving as soon as you can and benefit from the power of compounding. This also means the sooner you start saving, the less you need to save each month and reach your financial goals.

If you aim to retire by the age of 65 with a retirement fund of \$2 million and generate an annual rate of return of 8% on investments, you need to start saving \$550 a month at the age of 23. However, if you start saving at the age of 40, you will have to set aside \$2,000 per month to reach your financial goal of \$2 million in retirement savings.

Equities remain the best bet

Although stocks are a volatile asset class in the near term, they have managed to derive substantially higher average rates of return over time. In case you want to reach a million dollars by retirement, [investing in equities makes perfect sense](#), and taking an aggressive approach can jumpstart your savings.

You also need to consider that as you reach closer to retirement, you need to invest in safer havens such as bonds, which barely manage to beat inflation rates.

Avoid making withdrawals from your retirement fund

You need to avoid making withdrawals before retirement, as even small amounts can add up over time, which will hurt your growth potential. For example, if you have \$100,000 in savings at the age of 40 and withdraw \$5,000 to cover emergency expenses, it could ultimately lower your savings by \$50,000 over the course of 30 years.

Invest in growth stocks such as Lightspeed

Investors just starting out can look to invest in growth stocks such as **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), a company in the digital payments space. LSPD provides software, solutions, and support systems to small and medium enterprises primarily in the retail and restaurant verticals.

The company aims to help SMEs engage with customers by managing operations and accepting payments. It provides an omnichannel commerce-enabling SaaS (software-as-a-service) platform.

Lightspeed operates in over 100 countries and helps customers engage across online, mobile, and physical channels. Between fiscal 2017 and fiscal 2020, the gross transaction volume on the LSPD platform increased at an annual rate of 46% to US\$22.3 billion. Comparatively, revenue growth was 41% in this period. In fiscal 2019, LSPD also launched Lightspeed Payments, which is its proprietary payment-processing solution.

The company's expanding portfolio of solutions, widening customer base and stellar growth in sales make it one of the top growth stocks on the TSX.

Lightspeed generates a significant amount of revenue via subscription, which will allow the company to drive a steady stream of sales across business cycles. LSPD stock has more than tripled since it went public in early 2019 and [should continue to outperform](#) the broader market in the upcoming decade as well.

CATEGORY

1. Investing
2. Tech Stocks

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