



## How to Make \$1 Million During the 2021 Stock Market Crash

### Description

Everyone wants to make a million, but few wish to see a stock market crash. But as the saying goes, a crisis can bring opportunity. When assets prices fall across the board, it's a rare chance to buy millionaire-maker stocks.

To make a fortune in 2021, you need to invest in specific stocks. Before we get to stock-picking, however, you must ensure that you'll have enough cash to be a buyer.

### Don't make this market mistake

Take a look at previous stock market crashes. In hindsight, most people wish they bought more. In reality, when bear markets are in full swing, few people pull the trigger. Why?

The first cause is obvious: fear. It's easy to keep buying when prices are moving up. Before market downturns hit, it can often feel like stock prices do nothing but move higher. Unfettered optimism creates complacency, a critical ingredient that precedes a crash.

Even those who remain fearless have trouble buying. That's because they lack the cash to do so. When the economy is chugging along, and stock prices are on the rise, people feel rich. They buy new homes and cars, increasing spending across discretionary categories. Some people even take on additional debt.

During a stock market crash, you don't want to be this type of person. These people have very little excess cash during a downturn. Many have to *sell* their stocks to survive.

The lesson here is simple: get your financial house in order before market's force you to do so.

### Only invest in stocks like this

It takes money to make money. Be sure to have enough cash flow to keep investing during a

downturn. But where should that cash go? If you want to reach \$1 million as fast as possible, you must choose tech stocks. More specifically, go with *software* stocks.

**Constellation Software** ([TSX:CSU](#)) is a perfect example of how to make huge profits. Since 2006, shares have risen 90 times in value. If you bought the stock during the 2008 market crash, you could have 66 times your original investment. A \$15,000 bet would have become \$1 million.

What about software businesses produces such spectacular returns? Let's look at **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) to find out.

Shopify operates one of the largest e-commerce platforms on the planet. You've like shopped through the company's technology without ever knowing it. More than one million retailers use its backend.

The beauty is that these businesses strengthen over time. They're winner takes all.

"The more merchants move to Shopify, the more developers will be incentivized to make the platform even better. The more developers that build, the more customers will want to use Shopify," I recently [explained](#). "It's another virtuous cycle. An unstoppable feedback loop."

"That is the beauty of being a platform: you succeed (or fail) in the aggregate," [says](#) tech consultant Ben Thompson.

## Bottom line

Millionaire-maker stocks rarely go on sale. It takes a market-wide downturn to pressure these companies.

When the next crash arrives, be prepared to strike. Have a list of specific software stocks you want to target.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

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**Date**

2025/08/17

**Date Created**

2021/01/02

**Author**

rvanzo

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