



## 2 TSX Stocks Under \$50 to Buy at Age 35

### Description

Did you turn 35 this year? Are you tight on budget catering to the needs of dependents? Are you yet to start retirement savings? You may read many articles giving you a formula of how much you should invest to have \$1 million by age 60. But let me tell you, investing more is no solution if it is impacting your disposable income. Investing right is the key. Choose your stocks wisely depending on your age, financial goals, and investing ability.

### Investing right at the age of 35

There is a famous [Warren Buffett](#) quote: “Do not save what is left after spending, but spend what is left after saving.” That’s the golden rule of budgeting. Everyone has different expenses. There is no one amount fits all solution for how much to spend and save. Look at these two scenarios.

Anna is 35 and single with no dependents. She is saving for her startup. Ron is 35, married with two kids, and has more expenses and fewer savings. They both earn the same amount and need a retirement fund and an emergency fund. Ron needs a higher emergency fund and has a lower savings bandwidth than Anna.

Here are two stocks that are suitable for both Anna and Ron — one for the emergency fund and the other for the retirement fund. But I can only tell you the stocks; how much you invest in something depends on your savings and spending.

### The emergency stock

Your emergency fund should always have safe stocks that will not pull down the value of your fund, especially during emergencies. For this, you need resilient stocks. But at the same time, you need your emergency fund to grow along with inflation.

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) caters to both these needs. Its robust tollbooth business model earns Enbridge a fixed cash flow for transmitting oil and natural gas through its pipelines. The company

also [increases](#) its dividend at an average annual rate of 10% (in 26 years) by increasing its toll rate at regular intervals and building new pipelines. It has new pipelines coming up in the next two years, which will add to dividends.

You may argue that Enbridge stock fell 35% in the March 2020 crash and fell further in September 2020 correction. But it continued to pay a dividend. This dip also gave new investors a chance to lock in a dividend yield as high as 9%.

If you invest \$2,000 in Enbridge now, you can lock in a 6.93% dividend yield. If the company increases its dividend at an average annual rate of 5%, your accumulated dividend income will become \$2,000 in 11 years. This accumulated dividend can more than offset a 30%-40% dip in the stock price in another major market crash.

## The retirement stock

Now, I will focus on your retirement fund. You are just 35 and have another 30 years before living off your retirement savings. Here the trick is to invest in stocks with long-term growth potential. Think of it like how wonderful it would be if your parents had invested in **Apple** or **Amazon** in the early 2000s. Their retirement fund would be overflowing with returns. These stocks were not quite game-changers back then. It took them nine years after many ups and downs (2000-2008) to finally begin their growth trajectory.

Stocks that need patience deserve to be in your retirement fund. **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is one such stock. The stock rallied 95% and 140% in 2019 and 2020 and suddenly saw a 15% dip year to date. It needs time and patience. The company aims to become the Android of omnichannel commerce. At present, its platform caters to retailers and restaurants and keeps adding more applications.

For instance, Lightspeed accelerated its innovation in 2020, introducing online booking of the table, pickup slots, scheduling deliveries, ordering ahead. The company is exploring more verticals where its platform can make a difference. At the same time, it is acquiring rivals to consolidate the fragmented market. When its growth explodes, it could become the next Amazon and overflow your retirement fund with returns.

But this is a hypothetical situation, and Lightspeed has to keep growing and adapting to the situation.

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### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:ENB (Enbridge Inc.)
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