
# Investing Guide: 5 Things to Do to Become a Millionaire

**Description**

Who doesn't want to be a millionaire? And in this digital age, it is not that difficult. While there is no foolproof investing strategy to grow rich, some financial habits adopted at an early age can go a long way. Even if you don't become a millionaire, you will be financially well off with these habits.

## 1. Seek ways to increase your income



Always seek ways to increase your income. If you are an employee, look for ways to upgrade your skill for the next level. Learn a new skill or add commerce to your hobby. During the pandemic, many people who became jobless started their businesses. Hence, it is important not to rely solely on one source of income.

Similarly, in investing, don't accumulate all your savings in one asset class. Diversify into stocks, bonds, mutual funds and ETFs. And always invest in companies that have a diversified revenue stream.

## 2. Manage your money well and avoid unproductive debt

Unless needed, don't pile up debt, especially credit card debt. Productive debt is something that you can pay without accumulating heavy interest. But if you miss on your payment, the credit card debt can have a snowball effect. It will keep growing and become unmanageable and unproductive. A good practice would be to manage your money by keeping your expenses below your income. Similarly, look for companies with manageable debt. A higher leverage ratio, if left unaddressed, can eat up on the company's profits.

## 3. Don't miss out on the free money the CRA gives

Many Canadians don't realize that the Canada Revenue Agency (CRA) provides many cash benefits, such as the goods and service (GST) tax credit, to all Canadians above 19 years of age. All you need to do is file your income tax returns. The CRA offers many tax advantages that you should avail of. This free money from the CRA can come in handy to get started with your investment.

## 4. Start investing early

No matter how little you can put away, save and invest. Save for emergencies and invest for wealth creation. There are some high-growth stocks available for less than $10 per share. Don't delay investing, thinking you will save after you have X amount. A little contribution of even $100 a month will make up a decent chunk of your investment portfolio.

Let's say you invested $100 in **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD) back in 2019 when the stock was trading around $37-$40. Today that $100 would be $276. In investing, don't wait for the right moment. While it is good to buy the dip, don't keep waiting for a market pullback or you might miss the bus.

And one important tip from famous investor Peter Lynch: "…focus on the companies, not on the stocks."



Don't just look at Lightspeed's stock price but its business. Lightspeed is a growth stock for which the pandemic acted as a catalyst and made its omnichannel solutions sticky. The company grabbed the opportunity and accelerated innovations. Now, the big task at hand for the company is to encash this increased interest.

This year, Lightspeed is looking to grow through Lightspeed Payments, Capital, and Supplier Network. It is channeling its acquisitions in this direction too. The company has the potential to continue growing its revenue by around 50%, which will keep the stock price growing. This is not the correct time to buy this stock in bulk, as it is rallying on the seasonality. It might see some correction in September, making it an attractive buy then.

## 5. Stay committed to investing

The fifth and the most difficult thing to do is to stay committed. This doesn't mean you should stay invested in a bad stock. Stay committed to investing. Do not panic-sell in a crash or give up on stock market investing because you faced a loss. Do your research and then invest. Learn from mistakes. That is how Warren Buffett built his fortune.

It is easier said than done. Making anything a habit is difficult, but with little practice and self-discipline, it is achievable.

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