



## Retire Early: Ignore Top Stocks and Buy This Instead!

### Description

Retirement is the goal everyone wishes to reach. One day, Motley Fool investors can stop working and simply live off your hard work. But that also means investing, and that's when retirement becomes a numbers game. How much exactly will you need to be able to feel comfortable for the rest of your life? Canadians now live to the average age of about 83, but that includes those dying from unforeseen circumstances like car crashes. So really, you could live a lot longer. So if Motley Fool investors want to retire early, they're going to need a *lot* of cash.

### Are growth stocks the answer?

Here's the issue. While I'm not reaching retirement any time soon, my parents and those around them are either retired or reaching retirement age. And there's a problem that continues to creep up. Many of those in retirement want to make as much money as possible in a short period of time. And this leads them to look into growth stocks.

But there is a difference between actual growth stocks and *potential* growth stocks. Growth stocks are those that are set up to significantly [outpace](#) the market. And a lot of these growth stocks have become quite popular. This creates a situation where the current share price eventually outweighs the future potential. And that leads to a crash.

Case and point: **BlackBerry**. BlackBerry stock became a growth stock touted by many looking to retire early. The company looked to be on the rise, latching itself to electric vehicles, and [partnering](#) with companies like **Amazon** in the process. But then came the retail investors.

In short, BlackBerry stock soared to \$36 per share, climbing 273% practically overnight! But those BlackBerry stock shares then plummeted almost immediately, falling back down to pre-jump levels within a month. In the last year, shares are up 90%, which is still good. But it's now a volatile stock and not something those looking to retire early should latch onto.

## So what's the solution?

While it might seem that you would want to find a cheap stock [set to explode](#), that's a diamond in an ocean of stocks. If you want to retire early, you need to first create a stable, diverse portfolio, leaving only about five to 10% of your portfolio to riskier stocks.

But even before you make those decisions, you need to come up with how much you'll need in retirement. For this, I would highly recommend meeting with a financial advisor, which you can do for free at your bank. They'll help you come up with your numbers, *and* set up your portfolio based on what you can afford today.

Once you have that, you can move on to the fun stuff.

## Ready to buy!

If Motley Fool investors are going to start small with any company, I would recommend growth stock **Aurinia Pharmaceuticals** (TSX:AUP)([NASDAQ:AUPH](#)). This pharmaceutical company basically shut down during the pandemic. Revenue plummeted as the company saw its funds taken away to help fund the pandemic.

This sounds like a bad situation, and it was. But that's behind the company now. Aurinia is now a top stock for those seeking to retire early. That's because of its recent oral therapy drug, LUPKYNIS. This is the first FDA-approved oral therapy drug for lupus nephritis. Analysts are incredibly excited, especially after the company recently reported its future outlook. The drug is set to go global, with management expecting top-line results.

On the outside, it can look bad. The company continues to increase losses, which management chalks up to the launch of LUPKYNIS. So that means it's at least short-term losses. The company, however, expects annual revenue to reach close to \$50 million in 2021, with enough to fund through 2023. By 2022, sales should increase by an incredible 352%!

## Foolish takeaway

Yet today, shares continue to trade at just under \$17 per share, down 9.7% in the last year. Meanwhile, analysts believe the company will see an *average* potential upside in shares of 119% in the next year! This is the perfect growth stock for those looking to retire early.

Aurinia is a company that should explode, creating even more opportunities after two years of hardship. And with shares up 16.7% in the last month alone, it's a great time to ride the wave.

### CATEGORY

1. Coronavirus
2. Investing
3. Top TSX Stocks

## TICKERS GLOBAL

1. NASDAQ:AUPH (Aurinia Pharmaceuticals Inc.)

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