



Young Investors: 3 Tips to Help You Succeed in Investing!

Description

Often young investors have lots going on in their lives. There are tonnes of things and activities they can enjoy — all of which are competing for their money.

The number one tip to help you succeed in investing is paying yourself. That is, saving regularly on every paycheck you receive. Then, aim to invest for high returns.

Pay yourself

You're paying for mortgage or rent, utilities, internet, food, outdoor activities, vacations, entertainment, clothes, clothes, etc. Why not also add an "expense" to pay yourself. Only it wouldn't really be an expense but an investment for your financial future.

So, after paying for essential bills every month, also pay yourself. You deserve it!

Let's say you're able to save \$500 a month. What's next?

Earn high returns

Here comes the exciting part after saving a portion of your paycheck — investing your hard-earned savings for high returns. You're not going to get high returns from savings accounts, GICs, or bonds. History tells us that the stock market is the place to go.

If you learn the tricks of the trade, you can get a long-term rate of return of 7-20% per year through stock investing. To aim for returns at the higher end of the range, you'll need to be an active investor.

You might seek to invest in stocks that appear to be undervalued. As well, you might try to maximize returns by selling stocks when they're fully valued. How active an investor you become is entirely up to you.

Begin by watching five to 10 stocks with wonderful businesses that you believe will become more valuable over the next 10, 20, or 30 years. **Alphabet, Brookfield Asset Management, Facebook, Microsoft, Toronto-Dominion Bank, Shopify, TELUS, Visa**, etc. may be on that list.

Invest in what works for you

Don't just trust other people's stock ideas. Read a lot and [start investing](#) in a non-registered account. You might try nice-yield dividend stocks like Toronto-Dominion Bank and TELUS, growth stocks like Brookfield Asset Management, or a mix of both.

Once you get the hang of your unique investing style, repeat the success in your Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP) to save taxes and grow your wealth faster.

The Foolish investor takeaway

Saving comes *before* investing. So, make it your second nature to save regularly!

The Canadian and U.S. stock markets have climbed a long way recently, appreciating about 28% and 32%, respectively, in the last 12 months. They're trading at high valuations. Therefore, young investors should be careful where they invest.

Among the stocks introduced, Visa appears to be undervalued, while Brookfield Asset Management and Toronto-Dominion Bank appear to be slightly undervalued. Then, there are Alphabet, Facebook, Microsoft, Shopify, and TELUS that seem to be fairly priced.

You'll find that during bear markets, there will be tonnes of bargains — too many to choose from for the capital you have available. So, if you're not in a hurry, it's a good time to hold off buying and read about value and dividend investing, which are easier to understand, first. If you must buy something today, start by looking for [undervalued stocks](#).

CATEGORY

1. Investing
2. Stocks for Beginners

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. kayng

Category

1. Investing
2. Stocks for Beginners

Date

2025/09/27

Date Created

2021/09/06

Author

kayng

default watermark

default watermark