



## Have You Started Saving for Retirement? 2 Stocks for Your RRSP Portfolio

### Description

Planning for retirement is the longest and biggest investment you ever make. When saving for retirement, you are saving for the other half of your life, where you have no active income, the tax bill is tremendous, your expenses increase, and medical bills probably take the biggest share.

### Have you started saving for retirement?

The Canada Revenue Agency (CRA) offers Old Age Security (OAS) and Canada Pension Plan ([CPP](#)), but they are not enough. Hence, it is better to start saving for retirement as early as possible. If you have time by your side (around 25-30 years), it becomes easier to plan. There are three stages of [retirement planning](#).

- In the first 10 years, focus on generating wealth through growth stocks.
- In the next 10 years, focus on sustaining wealth through low-risk growth and resilient stocks.
- After that, focus on earning income from the wealth you've built in 20 years.

In this article, I will talk about retirement planning in the first 10 years. As you earn active income, you might as well get some tax benefit for retirement saving through the Registered Retirement Savings Plan ([RRSP](#)).

If you are currently in your 30s, you should invest in stocks for the long term. When looking at the long-term horizon, follow the Warren Buffett rule. Look for a company you want to stay invested in for the next 10 years. Here are two stocks to invest your retirement savings:

- **Constellation Software** ([TSX:CSU](#))
- **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#))

### Constellation Software stock

Constellation Software is in a long-term growth trend, as its growth-through-acquisition strategy

generates higher returns. In the last 10 years, the stock surged 2,500%. If you'd invested \$10,000 in Constellation in January 2012, you would now have \$260,000. This stock could grow further, as it targets slightly bigger software companies, making it perfect for your retirement portfolio.

Constellation is a stable growth stock that has generated 20-67% annual returns in six of the last seven years. At \$2,145, the stock might look expensive, but it is down 9.6% from its December high. It surged 42% in 2021. Many people who thought the \$1,653 stock price was expensive for Constellation on January 1, 2021, have missed the chance to earn \$694.

Constellation acquires mission-critical software companies that operate in niche verticals and enjoy stable cash flows. The company's broad portfolio across customers, geographies, and verticals, and the stickiness of its software make its cash flows predictable. Some acquisitions might succeed, and some might fail. But the company maintains a positive balance.

## Descartes Systems stock

Descartes Systems is another business that has significant growth potential in the next 10 years, as commerce enters a new phase. The proliferation of e-commerce has significantly enhanced trade volumes and made the supply chain more complex. Major e-commerce companies like **Amazon** and **Shopify** are building their supplier network. The future could see e-commerce go from your neighbourhood store to a store in a different continent.

If e-commerce is not enough, the challenges never stop for the supply chain. In 2018, it was the trade war, and in 2020, it was the pandemic that disrupted supply chains. All these challenges are opportunities for supply chain management providers like Descartes.

Descartes stock surged 1,330% in the last 10 years. If you'd invested \$10,000 in January 2012, you would now have \$143,000. This long-term growth stock surged 25-60% annually in five of the last seven years. It has the potential to grow further, as the supply chain becomes more complex. The stock is currently trading 15% below its December high, creating a good entry point for your retirement portfolio.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)

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