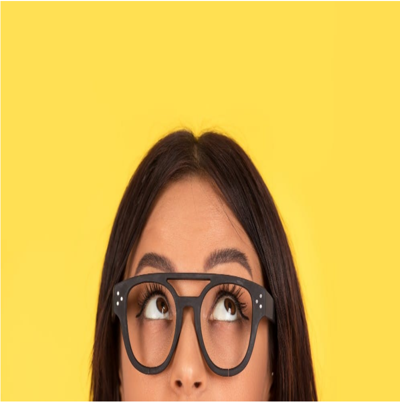

Attention Gen Z: Here's How to Enter This Volatile Market

Description

A massive wave of new investors has entered the market over the last few years, with many seeking opportunities galore with the abundance of growth stocks. One major group was Generation Z investors. But now, Gen Z investors are dealing with a volatile market — one that's completely new to them.

So, what should Gen Z investors do? Cut and run or seek out new opportunities? Honestly, it might be a bit of both. Let's dig in.

Lesson learned

The last few years have been a very weird time for Gen Z investors and Motley Fool investors in general. There was over a decade of growth on the **TSX**, and, therefore, there was bound to be a correction. Many thought that happened with the March 2020 crash. Unfortunately, that crash was related to the pandemic and not from the economic situation the world found itself in.

Here's the thing. Growth stocks can be great, but only for those who are seeking short-term growth. That's all well and good, but here at the Motley Fool, we tend recommend long-term holds. That helps when we enter a volatile market such as this.

How? I'm glad you asked.

Long-term growth means more gains

If you're a Gen Z investor looking at the volatile market today, I'm sure you're feeling discouraged. You had all this money in the bank, made what you thought were amazing trades, and are now sitting on losses. But that doesn't mean you're without opportunities today.

One of the best ways to get in on long-term growth is to look at bank stocks. These companies have been around for decades and will continue to be around for decades more. That provides you with a stable way of making returns, along with dividends on top of that. Furthermore, the Canadian Big Six banks have a long-standing history of rebounding to pre-crash levels within a year after major economic crashes.

But before you go buying any one of the bank stocks, I'd recommend something else. You could also seek long-term growth through exchange-traded funds (ETF) focused on the Canadian Big Six banks. For that, I'd recommend **BMO Equal Weight Banks Index ETF** (TSX:ZEB).

Why ZEB?

The ZEB ETF offers Gen Z investors long-term growth at a steady pace in this volatile market. Plus, you get access to pure value. The Big Six banks all remain in value territory trading at or under 10 times earnings. So, long-term investors get access to a fairly quick recovery in the near term and massive gains in the long term.

How massive? While the ZEB ETF is still relatively new, there are a few numbers we can look to. It's been on the market since 2010, starting out around $16.50 per share. That would represent returns of 113% in that time, and a compound annual growth rate (CAGR) of 6.72%. That beats even today's insane inflation numbers.

Furthermore, you can lock in the company's dividend yield at 3.33% as of writing. Motley Fool investors can then use that cash to reinvest in the stock and grow their portfolio even more.

Bottom line

Gen Z investors may have had fun making insane growth while it lasted, but now that growth is gone. Meanwhile, there are much more stable stocks out there that have more than doubled in the last decade or so. Stocks that continue to perform well even in this volatile market. And that's exactly what you want when you start investing today.

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