



2 Stocks I'd Buy Now for Financial Freedom

Description

Financial freedom is the end goal that every individual seeks to achieve. To elaborate on the term, it is not about earning without working. Even the world's richest man, Elon Musk, works. Financial freedom is about having a choice of what you want to do without thinking about your daily expenses, emergencies, and recreation.

Building a stock portfolio for financial freedom

To achieve financial freedom, you need a well-diversified stock portfolio, with growth stocks that can take care of leisure and non-urgent goals and dividend stocks that can take care of daily expenses. It is not just a one-time investment but a long-term process wherein you put your money to work. Investing in companies that have demand in the market and [fundamentals](#) to grow for a long time can help you build your portfolio.

Here are two long-term growth and dividend stocks to start your financial freedom journey.

The growth stock for financial freedom

The non-prime lender **goeasy** ([TSX:GSY](#)) began its growth journey in June 2013, as the aftermath of the 2008 Financial Crisis taught the world about subprime debt. The 2008 crisis introduced responsible loan seekers who worked towards clearing their credit scores to be accepted by traditional banks. This change in the loan landscape pushed goeasy stock up 1,600% between 2013 and 2022, which means \$10,000 became \$160,000.

As a non-prime lender, goeasy helped many people enhance their credit scores and become prime lenders with small (\$500-\$75,000), short-duration loans. This new trend helped goeasy stock grow nine-fold in nine years. Can goeasy replicate that kind of growth? It is hard to tell as goeasy's growth is in sync with the economy.

During a recession, credit risk is at its peak, as many non-prime borrowers default on their loan

payments. And goeasy is in the business of credit risk. It has a healthy [balance sheet](#) of \$2.37 billion in consumer loan receivables and \$1.07 billion in notes payable. If delinquencies increase, it will increase bad debt provisions. It will also introduce credit solutions like secured loans with longer tenure and lower monthly payments, default insurance, and more.

The company is tapping retail point-of-sale (POS) loans and auto loans. Discretionary and auto sales could slow as the recession grows deeper. goeasy can withstand a recession and bounce back with pent-up demand. However, this could take at least two to four years. But every crisis brings revolutionary changes, like the 2008 Financial Crisis brought in the loan market. And goeasy is likely to be a beneficiary of the change.

A financial freedom portfolio needs patience in such multi-bagger stocks.

Dividends

The capital appreciation from goeasy will add to your recreational fund. But you need dividend stocks to take care of your daily expenses. **BCE** ([TSX:BCE](#)) is a good stock for the dividend portion of your financial freedom portfolio. The telecom giant has market leadership and technological advantage over its competitors in terms of [5G](#). The fifth-generation technology will create the platform for artificial intelligence (AI) at the edge with low-latency, high-speed internet connectivity to millions of edge devices. It is broadband-like speed on mobile data.

BCE has been paying a regular dividend for more than 40 years. It has even grown the dividend at an average annual rate of 4.3% for 12 consecutive years. The 5G opportunity could accelerate its dividend growth and help it sustain it for another 15 years. If you accumulate 2,100 shares of BCE, you can earn \$1,000 a month in dividends that will grow with inflation. A dividend-reinvestment plan can boost your share count with every purchase.

The right way to invest in stocks

Instead of locking in significant capital, you can use this downturn to buy a small number of stocks every month. This way, you can reduce your costs and use the funds to add more shares to your financial freedom portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:GSY (goeasy Ltd.)

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