2 Growth Stocks to Buy With Just $500

Description

Investors often focus on investing in stocks that can provide a suitable retirement income. Unfortunately, this means that growth stocks are neglected or completely ignored. That's a shame, because there are some stellar growth stocks to buy right now.

And you don't need a lot of money to start, either. Here are two growth stocks to buy starting with just $500.

Don't miss the bus (again) on this growth stock

Shopify (TSX:SHOP) is one of the biggest growth stories of the past decade. In the years before the pandemic, the e-commerce platform was one of the best growth investments on the market.

When the pandemic hit, Shopify's growth when into overdrive as in-person retail was shuttered in lieu of mobile commerce.

Now that stores are open again, some of that growth has leveled off. An environment of rampant inflation and rising interest rates also has Shopify come under pressure to post profits.

As a result, the stock is trading down 40% over the trailing 12-month period.

So, what makes Shopify one of the growth stocks to buy now? That comes down to long-term growth potential, which Shopify has plenty to spare.

Nevertheless, to answer its profitability problem, Shopify has announced a series of price increases.

This represents the first bump in a decade for the company. Incredibly, over that time, Shopify has continued to invest in its growing platform, bolting on new capabilities and add-ons.

Another key point is market share. Prospective investors should keep in mind that Shopify has a growing presence in over 170 countries around the world. In fact, the platform is responsible for over

US$440 billion in global economic activity.

In other words, Shopify is a great growth stock to buy right now at a discounted rate. And what a discount it is!

A $500 investment right now will get just over seven shares of Shopify. To put that discount into perspective, at this point last year, that same $500 investment would only fetch four shares. And if we look further back, $500 was enough for just two whole shares two years ago.

Buy this stock irrespective of which way the market goes

When market volatility hits, investors gravitate to more defensive stocks. Consumers exhibit similar behaviour. Specifically, consumers will seek out more frugal options at other retailers and trading down on some items.

This is part of the reason why Dollar stores are such appealing investments. Chief among those dollar stores to consider is **Dollarama** (TSX:DOL). Dollarama operates the largest network of dollar stores in Canada, boasting a presence in every province.

The company also has a growing international presence through Dollar City brand. Dollarama's presence there spreads across several Latin American countries.

Part of the appeal of Dollarama comes in the form of its unique pricing model. The company prices goods at various fixed price points. This also allows the company to bundle several items together at a single price, which caters to value-seeking shoppers.

The result is a stable business model that thrives during times of volatility as we saw in 2022.

In fact, Dollarama is one of the few companies on the market that came out of 2022 well into the black. Turning to this year, that stellar performance continues. As of the time of writing, the stock is up over 23% in the trailing 12-month period.

A $500 investment in Dollarama today will start investors off with six shares. That's not enough to retire on, but it's a good start to building your portfolio.

Growth stocks to buy now or later?

No investment is without risk, and that includes both Dollarama and Shopify. Fortunately, both stocks have significant long-term potential. Prospective investors should look at both stocks as long-term holdings and should form part of a larger, well-diversified portfolio.

Buy them, hold them, and watch them grow.

CATEGORY

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TICKERS GLOBAL

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2. TSX:SHOP (Shopify Inc.)

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