

Lose the latte, invest in the coffee chain.

A beginner's guide to investing

By Danielle Kubes

Once dated a guy who really needed to win. In a game of doubles beer pong, he threatened, and I'm pretty sure only partly in jest, to throw me off the balcony if I didn't sink the ball in the next round.

The way he felt about drinking games (and Settlers of Catan and Wii Golf) is the way I feel about capitalism. And since joining the winning team is the easiest path to victory, I've chosen to become a shareholder over a consumer.

I started young — my uncle bought me my first shares as a 12th birthday gift — but it's never too young to start.

"Young people need to get

into investing as soon as they can, because for them, time is their best friend," says Ngoc Day, A fee-only financial adviser at Vancouver-based Macdonald, Shymko & Co. Ltd. "And by that, I mean the power of compounding just works wonders."

Basically, a large public company looks out for its customers only in so far as it can deliver value to the people it truly cares about, — the shareholders. That's why I bank for free at Tangerine, but buy shares in the Canadian Imperial Bank of Commerce. I make my coffee at home, but own part of Starbucks Corp. I bike to

work, but get quarterly payouts from Suncor Energy Inc.

When other Canadians are moaning about rising gas prices and increasing bank fees, I'm just excited to see my next dividend cheque.

It can be intimidating to switch from buying stuff, to buying the companies that make that stuff, so the first step is educating yourself properly. Day cautions against getting overwhelmed by the amount of information on the Internet. A good place to start is Benjamin Graham's "The Intelligent Investor."

While you're learning, start saving up a bit of money — but



"You can just do \$50 a month to \$100 month."

Luckily there's never been so many cheap and easy ways to invest that \$50 to \$100 a month — the Internet has democratized investing along with everything else.

A popular way is to purchase individual stocks through an online discount brokerage, like Questrade, which can charge as little as \$5 a trade.

Or, you may be able to buy shares directly from the company through a Stock Purchase Plan. You only have to pay for a tangible share certificate, and then you can link it to your bank account and automatically invest a set amount every month.

The newest option to hit Canada is robo-investing. Take WealthSimple. Founded in 2013 by Michael Katchen, a 27-

pany uses an algorithm to invest your money in a series of exchange-traded funds. The service is free for a portfolio under \$5,000.

Katchen says he doesn't want to promote the idea that saving and investing means you can't enjoy life and buy stuff that makes you happy.

As long as you are putting away 15 to 20 per cent of your gross income, he says it's fine to spend the rest of it.

"I don't want to make people think that there's this massive trade-off," he says, "that if you're an investor you have this awful life where you can't drink lattes."



don't feel like you need a huge amount. "Because you are young, because you have time to invest, you don't need to strive for thousands and thou-

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