



## Become a TFSA Millionaire With BCE Inc. and Canadian Utilities Limited

### Description

When I was still in high school, I set a goal for myself. I wanted to be a millionaire.

I bet many of you reading this want the exact same thing. Even though a million dollars isn't worth what is used to be, it's still a heck of a lot of money. It represents success; when you get to a net worth of \$1 million, you're comfortably into the 1%—at least, when it comes to world net worth. To make it into the top 1% in Canada, it would take several million. Still, \$1 million is a good start. It's enough to ensure a good retirement.

For younger savers, the introduction of the TFSA has made it easier to become a millionaire than ever. As long as these investors max out their contributions each year—the maximum is currently set at \$5,500 annually—and invest in stocks that are able to deliver a decent return over the next few decades, they're almost guaranteed to turn their TFSAs into million dollar accounts by the time they're ready to retire.

Here's how any millennial can become a TFSA millionaire using **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Canadian Utilities Limited** ([TSX:CU](#)).

### Pick great stocks

It's hard to pick stocks that you can stick away in a portfolio for decades. Many different things can get in the way.

My favourite example is Kodak. In the 1980s, it dominated the photography space. If you were buying film, chances are it was made by Kodak. It had a huge market share in photo paper and cameras, too.

We all know what happened next. The company intentionally squashed digital photography until it was too late. Shares peaked at \$100 each in 1987, and 25 years later, they were worthless.

It's hard to see BCE suffering the same fate. The company is Canada's largest telecommunications provider, providing the gateway for data-hungry consumers to get their fix. With more and more of our lives centring around the Internet—both at home and on the go—it's hard to see anything but continued

demand for the company's services. And don't be surprised if the steady decline of cable TV subscribers stabilizes sometime soon, too.

There's always the risk that rooftop solar panels will do serious damage to Canada's power providers, but even if technology cooperates, such issues are decades away at best. Why would the average Canadian spend tens of thousands of dollars to put in a system when power can get delivered using existing infrastructure for a reasonable cost?

That's very good news for investors in **Canadian Utilities Limited** ([TSX:CU](#)), Canada's second-largest utility. The company owns power and natural assets in western and northern Canada as well as Australia. It's also the maker of modular structures for clients in more than 100 countries.

### Get rich slowly

Say you were a 25-year-old looking to save up for retirement. To retire at a conventional age, you'd have a 40-year investing horizon.

Over the last 15 years—including reinvested dividends, but excluding any brokerage commissions—both BCE and Canadian Utilities have performed well. BCE has gone up 7.6% annually, while Canadian Utilities has given investors an annual return of 9.8%. As you can see, these aren't high-flying stocks. They solid blue chips delivering good performances.

If an investor put \$5,500 annually into a TFSA that's divided equally between these two stocks, and if they were able to replicate the returns from the last 15 years, it would take 32 years to become a millionaire. Assuming a start date at age 25, this investor would be worth seven figures by their 57th birthday.

It gets even better. If the TFSA is left to grow, this investor would be looking at a nest egg of greater than \$2 million by the time they hit 65.

It isn't really that hard to get rich slowly. All investors need to do is be patient, have a good savings rate, reinvest any dividends, and choose good stocks. The rest will take care of itself.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:CU (Canadian Utilities Limited)

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