2 TFSA Growth Stocks to Propel Today's Young Investor to a Rich Retirement

Description

Young investors may not have the same magnitude of wealth that their older counterparts have, but they've got time on their side, which is just as good if not better.

You've probably heard the saying: "time is money." Well, it's true, especially in the world of investing where time is the number one factor in compound interest. The effects of long-term compounding are profound, especially if you reinvest every penny of your dividends within a TFSA where your nest egg will be insulted by the dampening impacts of taxes.

Through the powers of tax-free compounding, today's investors not only have the opportunity to retire wealthy, but also much earlier than they initially expected. All it takes is the discipline to stick with a long-term plan of making regular contributions within a TFSA and using the proceeds to buy quality long-term earnings growth stocks, preferably with a smaller market-cap such that the possibility of catching a multi-bagger is vastly increased.

Without further ado, here are two top stocks that young investors should stash in their TFSAs and forget about for decades at a time.

Spin Master Corp. (TSX:TOY)

Spin Master could be one of the few Canadian up-and-comers that could grow to become a severe threat to the current industry leaders domiciled in the U.S.

The stock recently bounced back from the industry-wide turmoil caused by the U.S. bankruptcy of Toys 'R' Us, a major brick-and-mortar retailer that many toy firms rely on for considerable sales. In previous pieces, I noted that as a Spin Master shareholder, I wasn't worried in the slightest because of management's ability to out-innovate its more mature peers in the space.

Moreover, Spin Master is a global growth story with many years (even decades) worth of double-digit earnings growth numbers ahead of it. The stock is quick to recover from short-term events, andpending a market-wide collapse; I believe Spin Master shares are a must-own for any young growthinvestor who's seeking profound long-term appreciation.

StorageVault Canada Inc. (TSXV:SVI)

Here's a venture stock that has every right to be listed on the TSX.

The fast-growing operator of self-storage units is scooping up its rivals with the hopes of becoming a behemoth in an industry that's far less developed than in the U.S.

There are several secular tailwinds, most notably the six Ds (downsizing, death, divorce, displacement, disaster, density) that are going to drive a boom in demand for the "real estate for your stuff." In addition to the six Ds defined by industry analysts, I'd add a seventh D to that list: demand for e-commerce.

The rise of e-commerce and targeted ads have made it nearly impossible to avoid making impulse purchases online! As a result, many of us are likely buying tonnes of excess stuff online that we probably don't need lying around the house. For many of us, our living quarters aren't expanding in conjunction with our increased demand for consumption, which means we're going to need to rent out a place just for our stuff – at least until the square footage of our homes has the opportunity to catch up!

Over the next decade and beyond, I see StorageVault consolidating the fragmented Canadian self-storage industry until the self-storage market becomes less like a "perfectly competitive" market and more like a "monopolistically competitive" market such that both consumers and the consolidator (StorageVault) will stand to benefit.

Over the next few decades, StorageVault certainly seems like a multi-bagger as it transforms an entire industry.

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2. TSX:TOY (Spin Master)

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