



## Who Wants to Be a TFSA Millionaire?

### Description

While there have been a handful of newly minted TFSA millionaires over the past few years, it's important to remember that growing your TFSA is not a race: it's a marathon. And it's a marathon that, on average, will be won by the tortoise (long-term thinker), not the hare (chaser of short-term gains).

Moreover, you never hear about the TFSA investors who lost a majority of their capital by taking chances on speculative plays on the road to becoming a TFSA millionaire over the short-term. For every newly minted TFSA millionaire, there are likely many more TFSA busts. And for the fortunate TFSA millionaires who have profited profoundly from speculative plays, they're being hit with a tax bill from the CRA anyway, even if they followed all the rules with regard to TFSAs!

### How should you be investing within a TFSA?

You only get \$5,500 to contribute in a year. So, don't risk the proceeds on speculative plays that could go up in smoke overnight, especially if you're a young investor who has decades to unlock the real power of tax-free compounding.

Each \$5,500 annual contribution you make is worth a heck of a lot more down the road than it is today, and if you lose a considerable amount of it by locking in a loss, you're not going to be able to get it back. You'll just have to wait until the next calendar year to contribute. Worst of all, you won't be able to use the capital losses within a TFSA to offset gains within any of your non-registered accounts.

When it comes to your TFSA, stick with stocks you'd be comfortable owning for decades at a time. Be a tortoise, not a hare. Don't speculate, invest. And if you're young, don't shy away from growth stocks like **Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#)). Although they may not seem like safe bets over the near-term, I'd argue that [they're a safer bet than a conservative investment](#) if you plan to hang onto a stock for decades at a time.

### Foolish takeaway

If you make regular annual contributions to your TFSA and use the proceeds to invest in the stocks of high-quality businesses, a \$1 million TFSA isn't a possibility; it's likely inevitable by the time today's

young investors ([like millennials](#)) hit retirement age.

Stay hungry. Stay Foolish.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:GOOS (Canada Goose)

## PARTNER-FEEDS

1. Msn
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