



Yes, Even “Boring” Stocks Like BCE Inc. (TSX:BCE) Can Make You a TFSA Millionaire

Description

I can think of few financial goals more worthy than becoming a millionaire.

Sure, a million bucks isn't what it used to be, but it's still a lot of money. If you can't retire on a million bucks, I'd argue that you might not be doing retirement right. In fact, some [early retirees](#) are making that much money last for 40 or 50 more years.

Since many of us invest primarily through TFSAs, the goal switches from having a million in general to having that much money inside our TFSAs. Remember, any withdrawals from these accounts are tax free, and so are any capital gains or dividends from the investment.

The goal of a million dollar TFSA might seem elusive, but you can get there. All it takes is patient investing, the magic of compound interest, and great stocks like **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)). Here's how you can become a TFSA millionaire.

Why BCE?

At first glance, BCE might not seem like the best choice for a buy and hold forever investment. Shares have struggled of late, and it's hard to imagine the company doubling or tripling in size. It's obvious that BCE's best growth days are behind it.

The company might lack growth potential, but it has so much more going for it. Its assets — which includes one of Canada's best wireless networks, thousands of miles of telephone and fibre optic wires, many top television channels, and a smattering of major sports teams — are second to none. Each of its businesses has the ability to annually pass on annual price increases to customers. When was the last time your internet bill went down?

This built-in growth is augmented by a sharp management team that's always looking for the latest acquisition. Over the last few years, BCE has acquired the part of Bell Aliant it already didn't own, as well as buying out Manitoba Telecom. It also recently purchased Alarmforce, signaling its entry into the home security market.

Slow and steady wins the race

Let me warn investors right now. It's unlikely BCE will deliver huge capital gains going forward. Fortunately, it doesn't need to for an investment to work out well.

Shares currently pay a 5.6% dividend. If the stock goes up just 5% a year, that translates into a total return of 10.6%. That's a pretty solid result.

If you invest \$5,500 per year annually into BCE shares and the investment returns 10.6% annually, it'll take 28 years to grow into a million bucks. You could even cut a few years off that deadline over time by continuing to invest the maximum allowed into the account, as contribution limits are tied to inflation.

Increases in the dividend over time should help the investment shoot to \$1 million slightly before the 28-year mark, too.

Even if BCE shares stumble a bit and only return 2.4% annually, we're still looking at an 8% total return. It would take a little longer for this result to turn into \$1 million, but it would still happen in 34 years.

The bottom line

Many investors are ignoring so-called "boring" stocks like BCE, content to stuff their TFSAs with the latest high-flyer. This likely won't end up being the best strategy over time. Stick with the tried and true: It's gotten many people rich before you. There's no reason to reinvent the wheel.

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