



Use Your TFSA to Gain Financial Freedom: Start Early, Invest Regularly

Description

For those looking to achieve financial freedom, from millennials to baby boomers to everyone in between, the TFSA is the most powerful tool that can help you get there.

With no age limitations, a range of flexibility unmatched by the RRSP, and zero taxes even on withdrawals and death, the TFSA provides investors with much to be excited about. With a cumulative allowable contribution of \$63,500, the TFSA is really getting to be a very relevant and important savings vehicle that investors need to take advantage of today.

With the RRSP taxes are deferred, as we make contributions with pre-tax dollars, but with the [TFSA](#) we make contributions with after-tax dollars. So, if your marginal tax rate is lower when you withdraw the money, it's better to defer (RRSP), but if it's higher when you withdraw the money, it's better to invest after-tax money and pay the taxes today (TFSA).

With the TFSA, we can withdraw the money tax-free at any time as opposed to waiting for our retirement years.

Millennials: start early and get your money working for you, with compounding returns in a tax-free environment, which will work to give you that financial freedom you are looking for sooner than you probably expect. And invest regularly, as this habit will allow your TFSA account to grow throughout the years and through the ups and downs of the market.

To help guide us, I thought it useful to consider what **Brookfield Infrastructure Partners** management has to say about where they are investing for growth and sustainability. The bulk of their new investments currently are in the [energy](#) and data infrastructure sectors, and this makes sense to me.

Rogers Communications ([TSX:RCI.B](#))([NYSE:RCI](#)), the largest wireless provider in Canada, is a case in point, as it is seeing big changes in its business and big opportunities for growth. The company is investing in new initiatives such as the commercial deployment of X1, which is aiming to transform the home entertainment, cable TV experience.

And with strong free cash flow growth of 20% in the latest quarter, a dividend increase, and a strong

balance sheet, Rogers can be expected to thrive in this environment.

For shareholders, Rogers offers a stable 2.76% dividend yield and strong capital appreciation potential.

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is an oil and gas company that will also see explosive growth, as the energy sector receives investment in pipelines to address the current challenges.

Canadian Natural has been on a long and consistent road of shareholder value creation, with dividend increases and stock price outperformance being the norms.

The company is a cash machine that continues to generate strong cash flows and income for investors, yet its stock is down 18% versus January 2018.

Final thoughts

Taking advantage of your full TFSA room is a smart move that will pay dividends today and well into the future.

Let's get started.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:RCI.B (Rogers Communications Inc.)

PARTNER-FEEDS

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