



## Young Investors: Turn \$50,000 Into \$400,000 in 20 Years

### Description

It might seem impossible these days to think of retiring early. Not that that's a bad thing. Canadians are living longer than ever, but that also means they're having to work longer than ever. And, frankly, who wants that?

We all dream of the day that we can pack it in and head home for good. But if you and your partner work together, you might be able to do that years or even decades earlier than originally expected.

The Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP) provide ample opportunity for couples to get their money together and watch it grow for decades. One, the TFSA is even tax free, meaning everything you make, you keep. The government won't receive a cent.

If you put \$25,000 in your TFSA and \$25,000 in your RRSP, and your partner does the same, that would leave you with \$100,000 that will need to grow to \$500,000 in the next 20 years. That would leave both of you with plenty of cash to enjoy the rest of your lives together. So, where do you start?

### Suncor

As Canada's largest integrated energy company, **Suncor** ([TSX:SU](#))([NYSE:SU](#)) has assets spread out across the board that provide the company with a steady stream of revenue, even when oil prices are down, which they have been.

This tough time has created a perfect buying opportunity for investors and for Suncor to buy up even more assets through acquisitions. Its has the strong balance sheet to achieve this, with oil sand projects that will continue to support the company for decades.

An investment of \$16,500 (a third of your \$50,000) in Suncor 20 years ago would be worth \$95,770 today. Assuming you receive that historical performance again, that would mean that same investment would be worth \$79,170 in another 20 years — even more if you reinvest the [dividend yield](#) of 4.03%.

## Brookfield

**Brookfield Property Partners** ([TSX:BPY.UN](#))(NYSE:BPY) offers another golden opportunity for retirement riches, with properties spanning the globe. The company has continuously pumped out strong earnings reports, most recently seeing net operating income rise 34%, and funds from operations rise 13% from earlier acquisitions and higher rents.

That's the key here. Brookfield has the balance sheet where, like Suncor, it can buy when times are tough. Real estate offers a great way to diversify your portfolio and bring in stable cash flow, and Brookfield is at the top. And with a dividend yield of 7.12%, it's hard to say no to that extra cash coming in year after year.

The stock is a lot newer than Suncor, only going back to 2013, but in that time it's risen 28%. Using that same trajectory, you could be looking at a \$16,500 investment turning into \$37,036, at the very least.

## Royal Bank

To round things off, we have a solid Canadian bank stock with **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)). The company has continued to pump out [strong results](#), even while its peers have slumped. It recently generated US\$3.2 billion on net income for the quarter, and this should only continue given its diverse stream of income.

Part of that comes from the U.S., where its wealth and commercial management markets are thriving, and it's only just starting things up. This is great for investors who will see growth from exposure to both Canadian and American economies.

An investment of \$16,500 20 years ago would be worth \$100,038 today. Using that trajectory, that same investment would be worth \$83,489 in another 20 years. And, again, there's that dividend, this time of 4.02%, to reinvest.

## Bottom line

If you and your partner invest in these stocks, each of you will walk away with \$199,695 for a combined total of \$399,390, and that's without reinvesting your dividends, which I would recommend. That cash will simply be set up and waiting for you for the moment 20 years from now when you both decide, today's the day.

Happy retirement!

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BPY.UN (Brookfield Property Partners)
4. TSX:RY (Royal Bank of Canada)
5. TSX:SU (Suncor Energy Inc.)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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## **Author**

alegatewolfe

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