



Turn Your \$6,000 TFSA Into \$75,000 With This Growth Stock

Description

Growing your TFSA is fairly easy if you understand the real purpose behind why it was conceived. Keep in mind that the TFSA is there not only for you to save but for you to use the account to invest. The \$6,000 [maximum limit of annual contribution](#) might appear small, but it has the potential to grow into \$75,000.

Those who were eligible to open an account back in 2009 and used the power of the TFSA have sizeable balances today. The money in your TFSA can grow each year even if you're invested in only one growth stock. Assuming you're ready to build wealth now, **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) can be the prime instrument.

High-quality investment

Enbridge Inc. is the largest pipeline operator in North America and boasts of the strongest liquids and natural gas infrastructure franchises on the continent. The merger of the company with American firm Spectra Energy in 2017 created a leading global energy infrastructure company.

This is the kind of [high-quality investment](#) that is near-perfect for TFSA investors Enbridge has a diverse set of low-risk businesses. They now possess the best in class network of crude oil, liquids and natural gas pipelines, a contingent of regulated gas distribution utilities and a renewable power generation platform.

Enbridge is poised to realize \$800 million of cost savings this year due to the significant cost synergies brought about by the merger. Further, the business is enduring and not cyclical. The company has paid dividends for 23 consecutive years and will continue to do so. Currently, the dividend yield is about 6.0%.

Plan out your wealth-building

Don't be in a rush to dive into high-risk investments that offer higher returns. Serious investors pick

high-quality investments like Enbridge. Part of the plan is to earmark a fixed amount for succeeding TFSA contributions to generate higher tax-free investment income.

If I have \$6,000 savings today, I'd open a TFSA and buy shares of Enbridge. At the price of \$45.94, I would own 130 shares. ENB's price grew by an average of 13.42% annually over the past 10 years. The price appreciation is the first upside. I would then save \$2,000 yearly in the next three years to buy more shares.

In the next six years, I would save \$1,000 yearly for the next six years for additional shares. Assuming the 6.0% dividend yield holds and the annual average price increase is maintained, my TFSA balance could rise to \$75,000 within 10 years. I'm using broad strokes and pushing the numbers to see how that could be possible.

TFSA investors shouldn't be discouraged with small balances in the beginning. The growth will come as you start investing in a growth stock. You have several options to make your money grow faster. Reinvest dividends earned and forced savings of a fixed amount every year to buy more shares.

When you make saving a habit, you can include high-quality stocks from other sectors to build a diversified portfolio. But by starting with Enbridge Inc., you'll be comfortable with a forever holding period.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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