



How to Turn \$100,000 Into \$1,000,000!

Description

If you're saving up for retirement, then you probably know that the earlier you start, the better off you'll be. However, even with 25 to 30 investing years left, you can grow your wealth significantly; \$100,000 can be enough to turn you into a millionaire by retirement. Below I'll show you a scenario that demonstrates that possibility by investing in a relatively [low-risk stock](#) like **Fortis Inc** ([TSX:FTS](#))([NYSE:FTS](#)).

What's great about Fortis is that not only does it pay a [growing dividend](#), but the company itself has been expanding and rising in value as well. In five years, its share price has risen by nearly 60%. While dividend income is a great way to boost your portfolio's value, capital appreciation is ultimately the quickest way to see your investment increase in value.

Adding dividend income onto that capital appreciation will only pad that growth and help you get you to your goal that much quicker. However, it's always important to remember that how the stock has done in the past is not a predictor of how it will do in the future. This example is for illustrative purposes only. and although Fortis stock might be a good bet to continue rising in the future, the rate at which it will is by no means certain.

If we were to assume that the company could continue at the growth that it's seen over the past five years, then that would mean it would rise by around 9.5% per year, on average. That's definitely an above-average return, and Fortis also pays a great dividend on top of that as well. Five years ago, the company was paying investors 32 cents per share every quarter – a figure that's grown to 45 cents today. That equates to a compounded annual growth rate of over 7% per year.

Assuming that both those figures continue and remain constant, then someone investing \$100,000 today into Fortis could see their portfolio rise to well over a \$1,000,000 even before 25 years. Here's a breakdown of how that would look:

1	\$109,531.44	\$3,480.95
2	\$119,971.36	\$3,726.58
3	\$131,406.36	\$3,989.54
4	\$143,931.28	\$4,271.06
5	\$157,650.00	\$4,572.44
6	\$172,676.31	\$4,895.09
7	\$189,134.85	\$5,240.50
8	\$207,162.13	\$5,610.29
9	\$226,907.66	\$6,006.18
10	\$248,535.23	\$6,429.99
11	\$272,224.21	\$6,883.72
12	\$298,171.09	\$7,369.46
13	\$326,591.09	\$7,889.47
14	\$357,719.92	\$8,446.18
15	\$391,815.78	\$9,042.18
16	\$429,161.47	\$9,680.23
17	\$470,066.73	\$10,363.30
18	\$514,870.86	\$11,094.57
19	\$563,945.46	\$11,877.45
20	\$617,697.58	\$12,715.56
21	\$676,573.05	\$13,612.82
22	\$741,060.20	\$14,573.39
23	\$811,693.91	\$15,601.74
24	\$889,060.02	\$16,702.66
25	\$973,800.24	\$17,881.26
TOTAL	\$973,800.24	\$221,956.62

As you can see from the above table, capital appreciation alone could nearly get you to the \$1,000,000 mark by the end of year 25. By the start of year 24 is around the time when under this model, you would hit that threshold. It's undeniable that while dividend income is a great source of value and can definitely add to your wealth, it pales in comparison to earnings you can make from a good growth

stock.

And that's why investors value tech stocks at high multiples — because the high growth they can produce can be much more valuable than what you can earn from even from a rising dividend stock.

This should illustrate the importance of not only finding a good dividend stock, but also a good investment overall that offers a great deal of growth potential. Fortis can offer you a bit of both worlds, but if you're looking for a more aggressive strategy, then you might be better off looking for a growth stock instead. While there might be a bit more risk and volatility, the potential returns could be even greater.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2019/07/06

Author

djagielski

default watermark

default watermark