



2 Millionaire-Maker Stocks for Your TFSA

Description

A million dollars doesn't quite look like what it did a few decades ago, especially for future retirees. Let's say you and your partner are 45 years old and want to retire by 65, and (on the morbid side) plan to live to the ripe old average-Canadian age of 85 years old. That's 20 years of growth, with 20 years of income you'll need to keep up your living expenses and hopefully for some fun things, too. A million dollars doesn't look like much now.

What you and your partner need are some solid growth stocks in your Tax-Free Savings Account (TFSA) that could get you to that mark as soon as possible. Growth stocks are stocks that are likely to outperform the market, now and in the future. While they can be a bit riskier, these stocks I'm recommending can certainly help you get to at least a million dollars, if not more.

Shopify

While **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a risky bet right now, especially given its high share price compared to its fair value, for long-term investors Shopify is still a gold mine. The stock has risen more than 1,250% since its initial public offering (IPO), and many believe it still has a long way to go.

Shopify has been producing strong numbers again and again, with revenue [increasing 48%](#) in the most recent quarter, even higher than Shopify's own expectations. And that's before the company is even profitable. Guidance for the next quarter grew yet again to \$382 million, up from analyst estimates of \$374 million.

The e-commerce industry is ripe for the picking, and Shopify is both growing into already existing spaces, while also coming up with new and innovative ways to take on the industry. Its Shopify Fulfillment Network is a recent service that is taking the company international, and it has so much more room to grow with its enterprise clients. As many analysts are calling Shopify the next **Amazon**, investors should look at Amazon's trajectory to see how this stock could take off.

Enbridge

For a stock that already has the historical performance under its belt, and the share price that's a steal, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is another perfect option to reach that millionaire mark. The company has been plagued by [short-term issues](#) that have sent shares to levels not seen since last summer.

Yet looking long term, this stock has come up more than 1,200% since 1995, and investors can be certain that the company has what it takes to take share prices even further. The company has \$16 billion in secured projects underway through to 2021. But what's more, it also has long-term contracts that will keep cash flowing in for several decades. Its strong quarterly earnings results recently reported a 24% increase in cash flow year over year, and earnings were up 62% from the second quarter of 2018 to \$1.736 billion.

While the problems the company is facing right now are worrying if you're looking to buy and sell quickly, long-term investors should be happy to get this stock at such a steal. Fair value is closer to \$61 per share right now, and that means you're buying at a discount of about 35% as of writing. Then there's Enbridge's dividend of 6.67% that investors can use to reinvest and get to that millionaire mark even sooner.

Who wants to be a millionaire?

So, how do you get there? I'll look at the last 20 years for Enbridge, and use Amazon as a template for Shopify's last five years (when Amazon really took off) to see how you can get to millionaire status. If you and your partner take your combined \$127,000 of TFSA contribution room, putting \$63,500 into each stock, this is how it could shake out.

Shopify

Amazon has grown 257% in the last five years. If that continues for the next 20 years, that would bring today's Shopify share price to \$20,619 per share. With 134 shares from \$63,500, that would bring your total to \$2,762,946.

Enbridge

Enbridge has grown 462% in the last 20 years. At a share price of \$45 as of writing, that brings shares to \$208 per share in 20 more years. That would leave you with 1,411 shares, and \$293,488 in 20 years and \$83,249 in dividends.

Grand total

You and your partner would have \$3,139,683 by 65 in just 20 years, giving you \$156,984.15 of annual household income.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:ENB (Enbridge Inc.)
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