



## How to Turn Your \$10,000 TFSA Into Over \$1,000,000

### Description

Here at the Motley Fool, there are a [number of articles](#) touting different ways to turn your investment into \$1,000,000. Frankly, there definitely are. What it really comes down to is how long you're willing to wait around as an investor — if you can afford to wait around — and how much risk you're willing to take.

It also depends how much money you have to invest in the first place. If you're a younger investor, rather than a recent retiree, you likely have quite a while to invest but don't have all that much to put away. A recent study found that about four out of every five millennials have savings put away, but haven't invested in the first place. This comes down to fear of losing that money and not knowing enough about investing to know where to start.

What I would recommend is first opening a Tax-Free Savings Account (TFSA) and putting aside a certain amount each paycheck that you can afford. That way, you're consistently putting money into your savings and into an account that both doesn't tax you as a user and doesn't charge you for any service fees.

Next up, I would choose a stock that offers you a potential for strong gains in the short term, stable gains in the long term, with a solid dividend that you can use to reinvest in your chosen investment. Even better would be if that stock is undervalued, with the potential to rebound in the near future. In this case, I would research **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)).

Suncor offers investors a prime opportunity at the moment. Back in February, [Warren Buffett](#) renewed his stake in the company, and the stock spiked, but since then it has come way below its fair-value price of around \$60 per share. As of writing, the stock trades at about \$38 per share, leaving it with a potential upside of almost 60% just to reach fair value.

To get there, all that has to happen is the rebound in the oil and gas industry. There is absolutely nothing that the company is doing wrong to warrant such a drop in share price. In fact, Suncor recently reported revenue of \$38 billion in its recent quarter, with net income of \$5.7 billion — increases across the board.

The way Suncor can achieve this growth, despite the oil and gas glut, is because it's a fully integrated business. That means the company explores, drills, produces, refines, and sells its own oil. That way, even when oil and gas prices are low, the company can take advantage of low costs to grow its business. In fact, it's been so successful that it's been able to increase its dividend yet again and foresees continuing that growth by 8-10% over the next few years. Currently at 4.43%, the company has increased its dividend by an average of 13% over the last five years.

So, now for the good stuff. While Suncor shares fell before the Great Recession back in 2008, the stock has remained relatively steady in the last decade, increasing 62% in that time. Keep in mind, however, that we're right before a recession, so the stock is below value at the moment and poised to spike. So, with that, let's see how long it could take for you to turn a \$10,000 investment into \$1,000,000 with dividends reinvested.

By taking a more conservative view, we'll assume that the stock price will increase at an average of 5% per year, with dividends increasing 8% per year in that time. With \$10,000, an investor would have about 261 shares at the time of writing. Therefore, by reinvesting dividends and putting \$10,000 without investing anything more, it would take 35 years to reach \$1,161,617.36.

If you're 30 years old, that means you'll have those funds by the time you retire — not bad for a one-time investment.

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