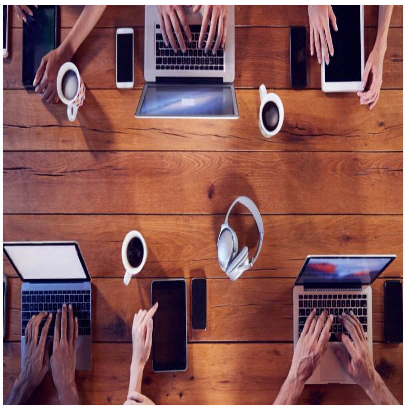

TFSA Investing for Millennials: This Stock IS Poised for Massive Growth Over the Next 20 Years

Description

Canadian millennials need to stop investing like their Baby Boomer parents, especially when it comes to their TFSAs.

The millennial cohort may have been dealt a rotten hand, having been on the receiving end of one of the worst financial disasters since the great depression in 2007-08.

However, they need to move past the trauma because the biggest risk for millennials at this juncture, I believe, is not being invested enough in stocks — the only game in town for one who wishes to build substantial wealth over time.

As you may know, bonds as an asset class are unrewarding in today's environment, making them unfit investments for many of today's young investors.

Indeed, fixed income securities aren't the same as they used to be with their rock-bottom yields.

And although they have a place in a risk-averse portfolio of an older investor who's in retirement, millennials need to take a pass and look to more volatile, higher-growth stocks so they can build a nest egg, rather than having it keep pace (or lose ground to) the rate of inflation.

Millennials have the ability to bear the higher risks that come with the growthier stocks, they just need the willingness, or they'll be doomed to suffer from sub-par total returns and a severe lack of wealth creation relative to prior generations, which seemed to have gotten a "free lunch" back in the good ole' days of soaring stock prices and higher bond yields.

Consider a hyper-growth name like **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS), a luxury parka maker that's currently out of fashion on the Wall Street fashion show.

Despite recent setbacks, the Goose is still capable of substantial long-term growth and is a prime candidate for millennials looking to make up for the lost decade of the 2000s and take their wealth creation to the next level.

The Canada Goose IPO made a lot of noise in its two years but has since quieted down over the past year thanks in part to the economic growth slowdown in China, a significant source of growth for the Goose, brought forth by the U.S.-China trade war.

To add even more salt into what was a very encouraging growth story, the possibility of a Chinese boycott of Canadian goods has startled Goose investors who saw China as a means to fuel many years, if not decades, worth of high double-digit growth numbers.

While it's tough to see past headwinds brought forth by the trade war, the damage done to Canada Goose stock has been overblown, with shares now down 44% from their all-time highs reached just under a year ago.

Unlike many bears, however, I view any global economic slowdown or trade tensions with China as a hurdle to the Goose's massive growth that will be easily passed over the years, rather than a complete derailment.

There's no doubt that the supposedly high recession risk doesn't bode well for the discretionary retailer. And while more damage could be done to the stock in an economic downturn, I do think the risk/reward is attractive given a recession, which is not a certainty is already partially baked into the stock price.

The stock trades at 6.8 times sales, which is not a high price to pay for a company that's grown its net income by 75.7% annualized over the last three years, with the potential to re-accelerate both top- and bottom-line numbers once the tides inevitably turn in the company's favour.

For millennials with a long-term time horizon, Canada Goose is a screaming bargain that should comprise a big chunk of a TFSA growth fund.

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