



## 3 Things to Do Today If You Want to Get Your TFSA to \$1,000,000

### Description

Growing your portfolio and getting it to \$1,000,000 is an ambitious goal — one that will require plenty of work. Unless you have a windfall of cash ready to invest today, chances are you're going to need to take steps in order to help build up your savings to help ensure that you've got the funds needed to start saving for retirement. Here are three things you can do today to put yourself in good shape reaching your retirement goal:

### Work on paying off any credit card debt

Canadians are in a lot of debt and there are reports that suggest a good chunk of the population is living pay cheque to pay cheque. Credit card debt is undoubtedly a big reason behind that. For investors seeking to build a nest egg for retirement, the very first thing they should work on clearing off any debt that isn't attached to a home.

Even if you've got a well-performing stock that's earning double-digit returns for your portfolio, it's more than likely that you're paying a higher percentage in interest expenses related to debt.

That's why it often doesn't make sense to start saving if you've got debt, as your interest costs will more than offset any income that you're earning. Step one should be to cut out debt entirely, as it will help free up money to contribute to a TFSA – which brings me to the all-important second step:

### Make a plan to save money every month

This step has to come once debts have been paid off to ensure that you're maximizing your savings. While any contribution to savings is good, ideally you want to be able to save at least \$6,000 per year or more, or whatever the TFSA limit is in a given year.

That would come out to an average of \$500 per month. While that may be a lot for some people, without having a big lump sum to put into a TFSA and without being able to put aside a good chunk of your income into savings every month, it'll be much more difficult to achieve your retirement goals.

## Finding the right stock to invest in

If you've got the first two steps in place, then the good news is that the third and final step is the easiest one. There are many good stocks to choose from. For instance, oil and gas investors may prefer a stock like **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)) to invest in.

It's a solid option because of the [dividend growth](#) that it could generate for your portfolio over the years. While there are question marks around its growth, particularly over the short term amid the difficulty in getting pipelines approved, the stock definitely has all the pieces in place to help grow in value over the years, including having a strong business that can consistently produce profits.

It also generates free cash flow, which is crucial for a stock to be able to support a dividend. One way that the company can strengthen its position in that regard is by focusing on its core business.

Enbridge has been doing just that. In October it sold New Brunswick Gas for \$331 million, which will not only help tighten up its operations, but will also provide a one-time injection of cash flow to strengthen its current position.

Ultimately, there's no single stock that will magically get your portfolio to \$1,000,000. Whether it's Enbridge or another stock, investors are going to first need to have the funds ready to invest. At that point, there will be [many different approaches](#) that investors can take to grow their portfolios.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Dividend Stocks

- 2. Energy Stocks
- 3. Investing

**Date**

2025/07/03

**Date Created**

2019/11/03

**Author**

djagielski

default watermark

default watermark