



TFSA Investors: This Statistic From the Canada Revenue Agency Will Shock You

Description

I have fantastic news: more than 13 millions Canadians now have a TFSA. If you're not one of them, you're missing out.

TFSA's are as close as it comes to free money. You contribute using post-tax money (money you've already paid taxes on), and in return, you never have to pay taxes on it again. Seriously. This year, the TFSA contribution limit is \$6,000, up from \$5,500 in 2018.

Let's say you max out this year's contribution, and over the next five years, your investment portfolio doubles. How much will you pay in capital gains taxes? Exactly \$0.

TFSA's get even better. You can withdraw your earnings at any time, for any reason, with no tax penalties. Additionally, your contribution room *rolls forward* every year. So if you didn't contribute to your TFSA in 2018, you have an extra \$5,500 in contribution room for 2019.

Now the bad news: Canadians aren't contributing nearly enough to their TFSA's. Like I said, this is as close as it gets to free money, and too many Canadians are quitting half way.

Today, an estimated 13,473,200 Canadians have TFSA's, yet an astounding 41.9% haven't contributed yet! Not a single cent. That's a tragedy. The hardest part, after all, is the upfront work necessary to set up a TFSA. Afterwards, you only need to invest [\\$20 per week](#) to get on the path to financial freedom. Yet millions of Canadians fail to take this next step.

If you haven't contributed to a TFSA yet, this is your best chance to get back on track. Even if you do contribute regularly, there's a proven method to increase your portfolio's value and maximize the value you're getting from your TFSA. Let's dive in.

Always go automatic

If you haven't gone automatic, it's time to do so. Going automatic is simply the easiest, fastest, most effective way to increase your savings rate. Here's how it works.

The vast majority of investors rely on *manual* contributions. That is, manually depositing money into their investment accounts. This method has a ton of issues.

First, you're not committed to any investing schedule. You can go months, or even years between contributions. Nothing is ever reminding you to stash money away. Second, you're foregoing the ability to dollar-cost average. This method makes sure you're investing whether the stock market is high, low, or anywhere in between. Too many investors invest more at the peak of the market, and hold back when prices are plunging. Manual contributions make it all the more likely that you'll fall into this trap.

Finally, manual contributions require *effort*. It's not always easy to put money away for the future. With manual investing, you have to overcome these barriers each and every time you want to invest. That's a difficult position to continually be in.

As mentioned, 42% of all TFSA holders haven't contributed anything to their accounts. Just as important, more than half of all those that *have* contributed *haven't* hit their contribution maximum. That's leaving money on the table.

Automatic contributions fix all of these issues. It gets immediate money into your account, and then with no effort at all, builds your portfolio value with regular deposits. Whether it's \$20 a week or \$500 a month, get your automatic contributions started today.

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