



1 Dividend Aristocrat to Get Your TFSA to \$1,000,000

Description

The TFSA is one of the best investment tools ever invented. For people who haven't started using it to build their nest egg yet, there is still time. And you don't have to invest a lot either. With even as little as \$500 a month, you have a chance of turning your TFSA into \$1,000,000. The key is finding the right stock. One such stock could be **Brookfield Property Partners** ([TSX:BPY.UN](https://www.bse.com/quote/BPY)).

But you might think that this might be too high an amount to accumulate with just \$500 a month. It's not if you employ the power of compounding. Consider Brookfield's [decent dividend yield](#) that has reached almost 7%. With those two elements on your side, you can accumulate \$1,000,000.

How does it add up?

The most realistic way of looking at it is that you need one of two things to easily reach the one million mark: a large starting capital, or a lot of years to build up your savings. And though a large starting capital is a smart and fast way to do it, it's not for everyone.

So let's look at the other approach. You are counting on a lot of years of consistent investment to get you to your desired number. Let that consistent investment be \$500 a month, or \$6,000 a year. It uses the entire contribution limit you have now. And let's assume you started saving at the age of 30.

Brookfield has a dividend yield of 7%. From the start of this year, the company has increased its market value by around 13%. It might seem a little ambitious, and even a bit farfetched if we look at the company's five-year history, but let's assume that the company continues its growth at the same pace.

So if the company keeps growing by 13% a year and keeps its dividend yield at a consistent 7%, and you don't reinvest any dividends, you may surpass your ideal number of \$1,000,000 in 25 years, or maybe even before that if you keep reinvesting your dividends.

If Brookfield sticks with its numbers, by the end of your 25th year of investing, you will have accumulated a decent sum of \$1,120,461. This amount is the sum of the money you have as dividends and the value of your shares in Brookfield.

Foolish takeaway

It might be hard to find companies with such generous dividends and explosive growth. It's even harder to find companies that can [sustain this level of growth](#). But with the right stock, and by contributing just \$500 a month, you stand a pretty good chance of becoming a millionaire in 25 years.

If you diversified your portfolio, found even better growth stocks – lavish dividend aristocrats – you can get more out of your TFSA. The key is to start investing now, keep investing consistently, and finding the best stocks. You will be well on your path to being a TFSA millionaire.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
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Author

adamothman

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