



CRA: 89% of TFSA Investors Are Making This Major Mistake

Description

As of 2017, the most recent year that has been fully accounted for by the CRA, there were roughly 14.1 million individuals who had a TFSA.

What's also interesting is that the average unused contribution room among all TFSA holders is more than \$30,000 — a significant amount and huge opportunity being left on the table.

What's most troubling, though, is that out of the more than 14 million TFSA holders in 2017, only 1.43 million had maximized their contributions, meaning just under 90% of investors are missing this major opportunity.

While it's understandable that for some investors, it makes sense to maximize their RRSP before they contribute to their TFSA, for tax purposes, the majority of investors should be striving to maximize their TFSA before doing anything else.

The opportunity and potential that the TFSA offers investors is unmatched. Taxes can eat away at a considerable portion of investment income, and when that money is compounded, it becomes extremely significant.

With the TFSA though, investors don't have to worry about such issues and can find high-quality stocks such as **Alimentation Couche-Tard** (TSX:ATD.B).

[Alimentation Couche-Tard](#) is an operator of convenience stores and gas stations across North America, Europe, and Asia. It's a great long-term stock for investors, because it operates in an industry that's a staple.

The company has a strong position in all the markets it operates in, but especially in the United States, where roughly 70% of its revenue and profit is derived from.

Despite its major industry position, Couche-Tard estimates that it only has roughly 6% of the American market, so it believes there is still plenty of opportunity for more consolidation in the sector.

Both gas stations and convenience stores are businesses that will stand the test of time, and the majority of the sales will always be stable.

Couche-Tard, though, is also one of the best operators in the industry and capable of driving major growth in its business, which is the other main reason why it's such a high-quality stock to own.

Over the past few years, it's been on an acquisition spree, building its portfolio, and with it, its dominant position in the industry.

By owning a significant number of gas stations and convenience stores in the market, Couche-Tard has a major advantage, especially when it comes to pricing and cost management.

To give you an idea of the company's reach, it sells more than 43 million gallons of fuel and serves more than nine million customers each day.

It's also been consolidating its brands, sticking to only a few brands to drive customer loyalty and help improve its organic growth.

The company has seen major growth throughout the last decade, with its earnings before interest, taxes, depreciation, and amortization (EBITDA) growing at a compounded annual growth rate of 22% since 2011.

Not only is that an incredibly high growth rate, but what's even more impressive is the number of years it has sustained this growth.

The growth in its business has also led to a major rally in Couche-Tard's share price, with a more than 1,000% increase over the last 10 years.

The company continues to be strong today, with more than \$15.6 billion in fuel sold, more than \$3.5 billion in EBITDA, and a return on equity of 22% over the last 12 months.

With incredible growth stocks like Alimentation Couche-Tard, it should be a top priority of all investors to maximize their registered accounts as soon as possible and invest in these high-growth stocks.

After all, if you were invested in a stock that gained more than 1,000% over 10 years, you too would want to protect all those gains as well, rather than paying a significant portion of your income back to the CRA.

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