



Millennials: How to Get a \$1 Million Investment Portfolio by 2050

Description

If you are just starting to invest today, growing your portfolio to \$1 million in just 30 years may not seem like it's possible. After all, if you were going to save all that money, you would have to save more than \$33,000 a year, or more than \$2,750 a month.

Luckily, this isn't the case, and instead we can combine a long-term investment strategy with the incredible power of compound income.

It works like this: if you can manage to save just \$500 a month or \$6,000 per year, and find high-quality stocks that can earn you an average annual growth rate of 10% per year, over the 30 years, your portfolio will be worth more than \$1 million by 2050.

To be more specific, on the \$180,000 you managed to save in 30 years, your total portfolio value would be just over \$1,050,000; which is more than \$850,000 in earnings.

In addition to the high-quality long-term stocks you'll need to select, you'll also have to take full advantage of registered investing accounts, such as the Tax-Free Savings Account (TFSA).

Taking advantage of registered accounts are crucial to save an enormous amount of fees, which will vastly improve your returns.

The other key is finding stocks that will earn you a long-term average of 10% per year in returns.

Obviously, the stocks won't return that every single year, as there will be unavoidable recessions and bear markets, but if you can find high-quality stocks that outperform during bull markets, then you'll be set for the long term.

One company that is the quintessential long-term hold that every investor should have in their portfolio is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)).

Brookfield is a global conglomerate that has a massive portfolio of investments across numerous industries. Looking at its track record over the last 10 and 20 years, it's clear this is a stock you want as

a core portion of your portfolio forever.

In the last 10 years, its stock is up more than 410%, over the last 20 years, which includes the Great Recession in 2007 and 2008, its stock is up more than 2,000%. Both its 10- and 20-year returns have a compounded annual growth rate of more than 15%, far exceeding the 10% your portfolio would need to reach the \$1 million.

The major growth has made it one of the best-performing stocks on the TSX over that period, and one that continues to be a major [stock to own forever](#).

The reason for Brookfield's major growth is due to its prudent investment decision making and high-quality management of its assets.

Its disciplined capital allocation keeps Brookfield in a strong position and allows it to find high-value investments when others don't have the liquidity to make the same deal.

It then uses its high-quality management and experience to find efficiencies in its new assets and improve the profitability and cash flow to grow the returns on an already high-value investment.

This allows it to retain more capital faster, building its liquidity, so it can continuously repeat the cycle.

It's also crucial that Brookfield has the size and funds to make the deals happen, which gives it better access to some of the top deals when they become available.

Going forward, the company is committed to more of the same, looking for distressed assets or projects that it can buy undervalued and improve the operations to grow the profitability.

At a price-to-earnings ratio below 16 times, the company is trading for a bargain, considering the growth that it will continue to see in the future and the premium it warrants for being one of the best and highly stable companies on the TSX.

Finding a top company such as Brookfield that you can hold forever and buy at a reasonable price will help you to consistently average 10% annual returns and grow your portfolio to more than \$1 million by 2050.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

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1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

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Author

danieldacosta

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