



TFSA Investors: How to Turn \$17 a Day Into More Than \$1,000,000

Description

You think \$16.44 a day isn't much? Perhaps it'd just buy you a meal with a drink. Actually, it can add up quickly — to \$115 in a week, \$500 in a month, and \$6,000 in a year!

\$6,000 is this year's contribution room for the Tax-Free Savings Account (TFSA).

If you save and invest \$500 a month for 10% total returns compounded annually, you'll arrive at more than \$1,000,000 (specifically, \$1,085,660) in 30 years. So, don't take that \$16 and change lightly.

Here are some dividend stocks that I believe will generate more than 10% long-term returns [for your TFSA](#).

Keyera

Right off the bat, **Keyera** ([TSX:KEY](#)) provides a juicy yield of 5.5%, which is protected by a payout ratio of about 60%.

Its return on equity (ROE) has been very impressive. Its five-year ROE is 15%, which is higher than its larger peers'. The consistency of its execution is what sets it apart.

In the last 10 years, its ROE has never fallen below 13%, which are very good returns. It goes to show that management is very picky about where it invests money and only chooses the best projects.

Not surprisingly, the stock has delivered long-term total returns of more than 14% per year since before the last recession about 12 years ago. In the period, it more than doubled its dividend by increasing it 7.9% per year.

\$10,000 invested at the start of the period would be more than a five-bagger now. The investment would have generated an initial passive income of \$743 and would generate \$1,929 of dividend income this year based on the current monthly dividend of \$0.16 per share.

This year, Keyera plans to invest \$700-\$800 million for returns of 10-15%. So, going forward, the undervalued stock can deliver returns of more than 10% per year, when combining its income, growth, and valuation expansion prospects.

Scotiabank

Like Keyera, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) offers an awesome dividend yield. Its current quarterly dividend of \$0.90 per share provides a yield of 4.9%.

Its payout ratio of about 50% gives a big margin of safety to protect the juicy income. Be excited because shareholders should be surprised with a dividend hike soon.

Scotiabank has gone through six years of repositioning to refocus on six core markets that represent 87% of its earnings. The key markets include Canada, the United States, and the Pacific Alliance countries of Colombia, Chile, Peru, and Mexico.

During the multi-year repositioning, incredibly, the bank still managed to increase its adjusted earnings per share by 5.6% per year. However, the stock only appreciated 3% per year.

It's your opportunity to grab the stock now while it trades at a discount of roughly 15%! Going forward, the undervalued bank stock can deliver returns of more than 10% per year, when combining its income, growth, and valuation expansion prospects.

Investor takeaway

By consistently saving and investing in quality stocks like Keyera and Scotiabank for total returns of 10%, you'll get to a \$1,000,000 TFSA sooner than you think. And from then, going to \$2,000,000 will be much quicker. (Specifically, it'd take less than seven years using the same strategy!)

Keyera and Scotiabank's track record and generous dividend yields will help investors to hold the stocks during downturns. So, they're [the perfect offensive and defensive TFSA holdings!](#)

CATEGORY

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:KEY (Keyera Corp.)

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