



TFSA Investor: Cash Is Trash — Invest in Stocks in 2020

Description

2019 was a fantastic year for the **Toronto Stock Exchange**. With the markets trading at record highs, investors might be starting to become complacent — but cautious would be a better route.

There are increasing concerns about the economy coming full circle for another recession in 2020. As an investor, you need to take appropriate measures and protect your wealth.

The Tax-Free Savings Account (TFSA) offers you an excellent opportunity to enjoy earnings on your investments free of tax. The problem is that a lot of Canadian investors are making the mistake of using their TFSAs as a regular savings account.

According to the latest tally taken by Statistics Canada, 42% of Canadians are using the contribution room their TFSAs to hold cash. Money stored in your TFSA is as good as trash.

Rather than turning your money into trash, you can use actual trash and turn your cash into even greater cash.

Confused? I am talking about investing in the **Waste Connections Inc.** ([TSX:WCN](#))([NYSE:WCN](#)) stock.

Waste Connections

Waste Connections is a solid waste processing company that operates in continental North America. The business provides services to collect, transfer, dispose, and recycle waste. Waste Connections is a company that generates 85% of its revenue from its services in the United States.

Waste Connections has a massive \$34.25 billion market capitalization and is the third-largest waste operations company in North America. Waste Connections is a [highly defensive stock](#) because of the necessary services it provides to clients. Considered a non-cyclical company, the company expects to grow sales by 8.1% in 2020 to reach sales of US\$5.8 billion.

The company allocated \$400 million for acquisitions in the last year. In 2020, Waste Connection has plans to make acquisitions with more than \$500 million earmarked for the task. Its prospects for a healthy year are high.

Solid stock

Waste Connections is a Canadian Dividend Aristocrat with a nine-year dividend growth streak. The company's shares do not present investors with a great deal terms of its dividend yield, however. With a dividend yield of just 0.75%, you might even think that Waste Connections is an unattractive stock even to consider.

It has such a low dividend yield only because its share prices have significantly increased.

Foolish takeaway

The stock has grown by almost 160% in the past five years. While Waste Connections may not be the most exhilarating company in terms of the dividend earnings it has to offer, it's still is one of the most [promising stocks](#) to consider holding in your TFSA.

With a three-year compound annual growth rate of 23.79%, it presents a substantial opportunity for generating excellent returns on your investment.

While you'd be relying on slow growth by holding cash in your TFSA, a stock like Waste Connections can help you earn a massive amount tax-free through its capital gains.

It's much better to allocate a portion of your TFSA's contribution room to the Waste Connections stock rather than cash idle in there.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:WCN (Waste Connections)

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