Millennials: Use Your TFSA Contribution Room on These 3 Growth Stocks

Description

In 2020 the annual contribution room for the Tax-Free Savings Account (TFSA) moved up by another $6,000, bringing the cumulative total to $69,5000.

Millennials who were born in the early 2000s may have just earned eligibility, which means that they can only count the cumulative total from the time they were eligible.

The TFSA has been a fantastic growth vehicle for investors over the past decade. Stocks like **Shopify** have made fortunes for investors in a short span of time.

Today I want to look at three stocks that are worth using your contribution room on to start this decade. I'm looking for a nice mix of future growth potential, stability, and a little bit of income going forward. Let's dive in.

Savaria

Savaria (TSX:SIS) is one of my top stocks to target as Canada works to prepare for a significant demographic transformation in the coming decades.

The company designs, engineers, and manufacturers products for personal mobility. Its shares have dropped 2.4% over the past three months as of close on February 12.

In the year-to-date period at the end of Q3 2019, Savaria had achieved revenue growth of 44.1% to $277 million. Adjusted net earnings climbed 25.6% year-over-year to $17.9 million and 15.2% on a per share basis to $0.38.

It posted strong results in the third quarter on the back of its on-going integration of Garaventa Lift and has benefited from leaving Span's custom products business.

The company possesses an immaculate balance sheet, while its earnings are forecast to grow at encouraging levels in the opening years of this decade.

Its price-to-earnings ratio sits slightly below the industry average. Savaria also offers a monthly dividend of $0.0383 per share, representing a 3.3% yield.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) stock has been a headache for many investors over the past decade. The rise of other smart phone manufacturers pushed it out of its dominant position in hardware.

While CEO John Chen successfully transitioned the company into a formidable player in the software space, it's still facing challenges going forward.

Shares of BlackBerry have dropped 27% year over year as of close on February 12. In the third quarter of fiscal 2020, the company reported revenue growth of 18%.

It received a boost via the integration of Cylance, a cybersecurity and AI software solutions firm it purchased for $1.4 billion in late 2018.

I like BlackBerry, as the company has expanded its footprint in growing sectors like cybersecurity and automated vehicle software. It's pressing forward with an adequate balance sheet and the stock looks undervalued right now. Shares last possessed a favourable price-to-book value of 1.3.

TransAlta Renewables

Millennials differ from their older counterparts in many ways. As investors, they have proven to be attracted to socially conscious companies.

The green energy revolution is well underway as the public and private sectors respond to climate change. **TransAlta Renewables** (TSX:RNW) is a fine stock for millennials seeking exposure to this sector.

Shares of TransAlta have soared 52% year over year as of close on February 12. While the stock is pricey right now, it's still a stellar option for millennials on the hunt for dividend income.

In the first nine months of fiscal 2019, renewable energy production was up marginally from the prior year, while comparable EBITDA rose to $313 million over $296 million for the same period in 2018.

Although trading near its 52-week high, TransAlta still possesses a solid P/E ratio of 20 and a P/B value of 2 and also boasts a fantastic balance sheet. The company last announced a monthly distribution of $0.07833 per share, which represents a strong 5.3% yield.

CATEGORY

1. Dividend Stocks

2. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:RNW (TransAlta Renewables)
4. TSX:SIS (Savaria Corporation)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/09/10
Date Created
2020/02/16
Author
aocallaghan