



## Millennials: Here's How to Become a TFSA Millionaire This Decade

### Description

The **S&P/TSX Composite Index** rose 28 points to close out the week on May 22. Markets have been uneasy in recent weeks in response to negative economic news. However, there is also cautious optimism as North American regions prepare for a gradual reopening. This crisis is uncharted territory for many millennials. A large number of millennials had not yet entered the workforce during the 2007-2008 financial crisis.

Like that crisis, this time is stressful, but it also brings opportunity with it. Today, I want to discuss how millennials can leverage this environment and become a TFSA millionaire this decade.

### The road to becoming a TFSA millionaire

Back in April, I'd discussed how millennials could [turn \\$20,000 into \\$1 million](#) over the course of a decade. As I'd discussed, a \$10,000 investment in a company like **Kirkland Lake Gold** at the beginning of the previous decade would have been worth over \$680,000 by the end of it.

When the Tax-Free Savings Account (TFSA) was first introduced, the prospect of becoming a TFSA millionaire was a lofty goal. Frequently, it was only obtained by those who had made very fortunate and timely trades.

That is not necessarily the case as we start this decade, however. The cumulative contribution room in a TFSA reached \$69,500 on January 1, 2020. If the annual limit continues to increase at a \$6,000 per year clip, that cumulative room will pass the six-figure mark by the middle of the decade. It therefore stands to reason that there will be many more TFSA millionaires in Canada by the end of the 2020s.

### How millennials can emerge from this crisis stronger

Investors who remained in the market were richly rewarded after the financial crisis. North American markets enjoyed one of the longest bull-runs in history over the course of the 2010s. The COVID-19 pandemic slammed the door shut on that run, but markets have quickly rebounded. Still, there are

plenty of value plays and stocks with high-growth potential that can make a millennial a TFSA millionaire in the next few years.

## Stocks I love today

Millennials have the gift of time on their side, which means they can be aggressive and stash growth stocks with promising potential. Below are three of my favourites. These stocks offer exposure to explosive sectors like technology and healthcare, while boasting an attractive mix of growth and income. Equities like these could make a millennial a TFSA millionaire in the 2020s.

**Kinaxis** has been one of the [best tech performers in 2020](#), and the company has looked resilient in the face of the pandemic. Shares of Kinaxis have climbed 73% in 2020 as of close on May 22. The stock is up nearly 120% year over year. Supply chain and operations planning software is in high demand worldwide, and Kinaxis has emerged as a global leader with its RapidResponse product — a tech stock that can be the cornerstone of a TFSA millionaire portfolio.

Financials have been battered this year, but **Goeasy** is still a stock worth targeting. It has increased 40% month over month at the time of this writing. In addition to its high growth potential, goeasy stock last had a favourable price-to-earnings ratio of 11 and a price-to-book value of 2.1. Moreover, it last increased its quarterly dividend to \$0.45 per share, which represents a 3.5% yield.

**Savaria** is a Quebec-based company that has established itself as a global leader in personal mobility products. Its stock has increased 19% month over month. The global personal mobility devices market is primed for strong growth over the course of the next decade. Shares of Savaria boast a P/E ratio of 24, a better value than most of its industry peers.

The company possesses an immaculate balance sheet. Better yet, the stock offers a monthly dividend of \$0.0383 per share which represents a 3.4% yield.

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**Author**  
aocallaghan

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