CRA Cash: Turn a $300 Tax Break Into $48,252

Description

If you're a parent, every little bit of cash has been necessary lately. The federal government has thrown a lot of programs at Canadians during the pandemic. One such payment happened back in May, when the government upped the payments of the Canada Child Benefit (CCB).

On May 20, parents saw an increase of $300 *per child* for their monthly CCB payment. If you receive cheques by mail, you may have noticed. But if you have direct deposit, it may have gone in and you didn't even see it. So, today, take that $300 and do something with it. You could even turn it into a whopping $15,000 given time.

Top growth industry

What's really nice about that $300 is, it's not a lot of money. OK, that's not great when you look at what the government is giving you. However, it *is* nice when you invest it. If you put $300 into anything, really, it's not a huge loss if it ends up in the gutter, but it can be an enormous win if you wait long enough.

What you want is a growth stock. Growth stocks are stocks that are predicted to outpace overall market growth. In this case, the top industry today would be e-commerce. E-commerce companies have soared in the last year, in case you didn't notice. These companies have reached all-time highs, while other industries are still picking up the pieces.

While you might want to invest directly in an e-commerce stock, $300 doesn't leave you with all that many options. Some of these stocks have soared into the stratosphere already. What you want is a parallel company that will continue to do well as e-commerce takes off.

Enter Enghouse

The perfect option in this case is a company like **Enghouse Systems** (TSX:ENGH). The company has a number of things going for it. First, of course, is its relation to e-commerce. It develops and produces software for enterprise level companies. Its Software-as-a-Service (SaaS) technology has been around for decades, so the company has more experience in the industry than some of its newer peers.

That leads to the second bonus about Enghouse: historic growth. It's rare that you would be able to see decades of performance from a stock like Enghouse, but here you have it. The company has grown a whopping 1,800% as of writing and is now at all-time highs. But that shouldn't mean it's not a buy.

E-commerce is set to continue increasing for the next decade. The pandemic merely showed the world just how necessary the already booming industry was. In the next few years, the growth predicted a decade from now could be here in half the time. As companies continue growing in this space, so too should Enghouse.

Bottom line

If you're going to assume that Enghouse will see the same amount of growth that it saw in the last few years, you're in for a treat. The company was growing steadily since 2017 and is up 200% since then. With e-commerce growing rapidly, that could continue for at least another decade. If the same type of growth continues, you could be looking at $48,252 with dividends reinvested in just a decade!

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