



Millennials: The Easiest Way to Become a Millionaire for FREE

Description

This is not a trick. If you're a millennial, there is absolutely a way that you can become a millionaire for free. That's right, it won't take a cent out of your pay cheque. All you have to do is take a few steps to achieve millionaire status.

First of all, I will say that as of now this only applies to parents. Millennials who recently became parents therefore have a few things on their side. First thing: time. Millennials are really only in the beginning phases of their careers. That means you have decades and decades to create wealth. Do not underestimate the value of time.

Second and most important for the case of the article, parents receive the Canada Child Benefit (CCB). CCB is paid out each and every month to Canadian parents from the time your child is born until they are 17. Those payments are up to a maximum of \$6,765 for children under six, and \$5,708 for children between six and 17. For the average parent with two children, that could be a maximum of \$13,530 from the federal government. Not to mention what you might receive from provinces and territories.

So let's dig into how you can use these CCB funds to become a millionaire completely free.

The set-up

First of all, you need a Tax-Free Savings Account (TFSA) becoming a millionaire won't be that great if you have to pay half of it back to taxes. So having a TFSA is essential for millennials to invest. It sounds like a no-brainer, but about half of millennials unfortunately do not invest, though they have the savings to do so. So start investing now and open up that TFSA.

Next, you need to pick a solid stock set on strong growth. For this example, we'll use **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)). There are multiple reasons to purchase shares in Suncor, and not just because it's partially owned by [Warren Buffett](#). The company is the largest integrated energy producer in Canada. So while shares are down, the company has other means of creating revenue that aren't to do with producing oil.

All investors really need is a rebound in the oil and gas sector, and like I said: millennials have time. Right now, Suncor is trading at substantially low prices. In fact, economists believe the company's yearly estimate will be around \$30.46 per share. That's a 78.6% upside as of writing! So if you buy up now, you could see a huge gain in the next year or so from this stock.

Meanwhile, you also have a strong dividend yield to look forward to. Suncor recently [cut the dividend yield](#), but that's likely to rebound as well once energy comes back. The company has also started investing in other methods of producing energy. So even if oil and gas goes the way of the Dodo bird, you can still be happy with a Suncor investment.

The numbers

To get to millionaire status, millennials will first need a large investment in a company like Suncor. We'll first assume that you can put aside that \$13,530 each and every year toward this stock. We'll also assume that you can reinvest those dividends, and that Suncor rebounds to \$30 per share in the next year. In just a year, that would bring that original investment to \$24,931.04!

Now, to get to a million dollars, millennials also need time. So now let's assume you continue to add that money every year, reinvesting your dividends, and that the markets have cooled. In 20 years, you would have reached \$1.2 million from making those payments. Not so bad for some free government money!

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1. NYSE:SU (Suncor Energy Inc.)
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