



Canadians: How to Get Rich on \$100 a Month

Description

It's possible to get rich by investing just \$100 per month. It's not necessarily easy, but you only need a few simple steps to generate a fortune.

The key is to stay consistent, be patient, and pick the right stocks.

Take this action first

To get rich, you need to think like a rich person. When you have \$1 million, you'll want to protect that sum from taxes as much as possible. That's why investing with a TFSA is so important.

TFSA's protect an unlimited amount of capital gains and dividends from taxes. This is the closest you'll ever get to a free lunch.

The most critical thing to do is establish automatic contributions. You can set up recurring transactions that deposit \$100 into your account each month. That makes sure you keep buying, month after a month. As we'll see, that's key to getting rich.

Let time work in your favour

It's time for a little math, but the fun kind.

Let's assume you invest \$100 per month and earn 10% per year. After one decade, you'll have \$20,000. After two decades, you'll reach \$75,000. After three decades, you'll surpass \$200,000. All on just \$100 a month!

To get rich even faster, you'll need stocks that can deliver higher returns.

Let's assume again that you contribute \$100 per month, but this time, you earn 20% annual returns. After 30 years, you'll have \$1.7 million! You just need stocks that can deliver those consistent gains.

Pick stocks that can make you rich

The trick to big gains is to focus on business models that can scale rapidly. Your best bet is to focus on software stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)).

"Software is unlike any other product in human history," I [explained](#) earlier this year. "For centuries, businesses needed to create actual physical products to sell. This is still largely true today."

"By selling software," I continued, "a company doesn't need to spend more money to acquire additional customers. All it needs to do is send another download link. Lead times also collapse completely, whereas physical products take days or weeks to make."

These stocks can make you rich faster than nearly every other investment.

"Software programming tools and Internet-based services make it easy to launch new global software-powered start-ups in many industries—without the need to invest in new infrastructure and train new employees," [stressed](#) Marc Andreessen, a respected internet pioneer.

Shopify operates one of the largest e-commerce software platforms on the planet. As digital shopping takes off, it'll be a direct beneficiary. Meanwhile, BlackBerry has ditched smartphones altogether to focus on cybersecurity software — one of the fastest-growing segments of the market.

Shopify stock has already proved capable of growing at 20% or more per year for extended periods. Many patient investors have already gotten rich on this stock. Now exiting a multi-year turnaround, BlackBerry should be the next stock to join that list.

With just \$100 per month, you can amass millions of dollars. Just make sure that you focus on software stocks that can deliver sustainable double-digit gains.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BB (BlackBerry)
4. TSX:SHOP (Shopify Inc.)

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