



## Here’s How Big Your Portfolio Can Get Just by Saving \$5 Every Day

### Description

Slow and steady is the way to go when it comes to investing. As tempting as it may be to buy shares of **Plug Power**, **GameStop**, or the next hyped-up stock, gains from those types of investments can be fleeting and will put your portfolio at significant risk.

You don’t need a ton of money to build wealth over the long term. Even small changes to your lifestyle, such as cutting out a cup of coffee at **Starbucks** every day or a meal at **McDonald’s** can add up to significant savings and impact your wealth years from now, especially if you use that money to invest.

Let’s assume for argument’s sake that you cut \$5 per day from your budget. Over a month, that could give you approximately \$150 to invest with. And over a year, you’re looking at \$1,825 just in savings. That’s without factoring in any dividend income or capital appreciation you could earn by investing that money into a stock. If you were to invest in a top [dividend stock](#) like **Enbridge**, which currently yields 7.5%, you could see your balance quickly rise in value. Assuming the oil and gas stock rises at a modest rate of 3% per year and the dividend continues to average 7.5%, here’s how your portfolio could look like if you were to invest \$1,825 into the stock every year:

Year	Total Contributions	Beginning Portfolio Balance	Annual Growth	Ending Portfolio Balance	Annual Dividends	Total Dividends
1	\$1,825	\$1,825	\$55	\$1,880	\$137	\$137
2	\$3,650	\$3,705	\$111	\$3,816	\$274	\$411
3	\$5,475	\$5,641	\$169	\$5,810	\$411	\$821
4	\$7,300	\$7,635	\$229	\$7,864	\$548	\$1,369
5	\$9,125	\$9,689	\$291	\$9,980	\$684	\$2,053
6	\$10,950	\$11,805	\$354	\$12,159	\$821	\$2,874
7	\$12,775	\$13,984	\$420	\$14,404	\$958	\$3,833

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8	\$14,600	\$16,229	\$487	\$16,716	\$1,095	\$4,928
9	\$16,425	\$18,541	\$556	\$19,097	\$1,232	\$6,159
10	\$18,250	\$20,922	\$628	\$21,550	\$1,369	\$7,528
11	\$20,075	\$23,375	\$701	\$24,076	\$1,506	\$9,034
12	\$21,900	\$25,901	\$777	\$26,678	\$1,643	\$10,676
13	\$23,725	\$28,503	\$855	\$29,359	\$1,779	\$12,456
14	\$25,550	\$31,184	\$936	\$32,119	\$1,916	\$14,372
15	\$27,375	\$33,944	\$1,018	\$34,963	\$2,053	\$16,425
16	\$29,200	\$36,788	\$1,104	\$37,891	\$2,190	\$18,615
17	\$31,025	\$39,716	\$1,192	\$40,908	\$2,327	\$20,942
18	\$32,850	\$42,733	\$1,282	\$44,015	\$2,464	\$23,406
19	\$34,675	\$45,840	\$1,375	\$47,216	\$2,601	\$26,006
20	\$36,500	\$49,041	\$1,471	\$50,512	\$2,738	\$28,744
21	\$38,325	\$52,337	\$1,570	\$53,908	\$2,874	\$31,618
22	\$40,150	\$55,733	\$1,672	\$57,405	\$3,011	\$34,629
23	\$41,975	\$59,230	\$1,777	\$61,007	\$3,148	\$37,778
24	\$43,800	\$62,832	\$1,885	\$64,717	\$3,285	\$41,063
<b>25</b>	<b>\$45,625</b>	<b>\$66,542</b>	<b>\$1,997</b>	<b>\$68,539</b>	<b>\$3,422</b>	<b>\$44,484</b>

By the end of year 25, you could have a total of \$113,023 saved up (and if the dividend was not reinvested). It would be more than double your total contributions of \$45,625. And if the dividend continued to average 7.5%, you'd be earning \$3,400 annually just in recurring income (which could be [tax-free](#))

if you held the investment within a Tax-Free Savings Account).

Remember, this is just \$5 per day, and even larger investments can generate much more growth. Even by making a modest change to your life, you can help make your retirement years much more comfortable. Now, with many businesses closed or not operating at full capacity, is a great time to build up some money-saving habits and have a close look at which expenses you can do without. Whether it is consuming less or just cutting some expensive habits out entirely, you can use that money to slowly build up your wealth over time. You don't need to have a high-paying job or a lot of savings to start investing. Small, modest changes can add up to something much larger over time.

## Bottom line

Enbridge is just one example of a good dividend stock on the TSX that you can invest in, but there are many others you can choose from. But if you don't start putting money aside it won't matter, and that's why the most important takeaway from this is that saving money is more important than knowing which stocks to buy. After all, when in doubt, you can put the money into an exchange-traded fund that mirrors the S&P 500 or the NASDAQ so that you don't have to worry about picking individual stocks.

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