



## Canadians: Grow Your Money and Save on Taxes With This Top Stock Today

### Description

We all know investing is so essential to growing our money, especially ahead of retirement. The longer you can invest in Canadian stocks, and the more you put aside to do so, the better position you put yourself in for the long term.

Because investing is so important, the government has created several tools for Canadians to take advantage of. These not only make it easier for investors to grow their money, but they also incentivize Canadians to save for retirement.

Two of the most popular of these accounts are the Tax-Free Savings Account (TFSA) and the Registered Retirement Savings Plan (RRSP). While the TFSA has a tonne of advantages, one thing it doesn't offer, which the RRSP does, is the ability for Canadians to defer their taxes.

### RRSP benefits

The RRSP has numerous benefits, but one of the most popular reasons Canadians love to use it is to save on taxes. It's a registered account, so you can invest your savings without having to worry about paying any tax on the capital gains, dividend, or interest earned.

This means while you are investing in Canadian stocks in your RRSP, you don't have to pay any tax.

The RRSP also allows Canadians to defer taxes. This means if you contribute to the RRSP today, you can reduce the taxes you owe for the 2020 tax year.

If that sounds like something you may want to consider, you have to act soon. March 1, 2021, is [the deadline](#) for Canadians to contribute to the RRSP and reduce their taxes for the 2020 year.

Whether or not you're contributing your money to the savings account to reduce your 2020 taxes or not, you'll want to make sure you're investing that money. Here's one of the best stocks to buy with cash in your RRSP.

## A top Canadian stock to buy for your RRSP

The RRSP is designed to help you save for retirement. This means you'll want to make sure you're using the RRSP to buy high-quality, long-term stocks, such as **Shaw Communications** ([TSX:SJR.B](#))([NYSE:SJR](#)).

Shaw is an ideal stock for many Canadians, because it has so much growth potential. The company has a strong wireline business underpinning current operations while it builds out its mobile segment.

Telecom stocks are generally great long-term investments, because they are defensive and offer investors natural long-term growth. The telecommunications sector was already an important industry, but as the pandemic highlighted, it's crucial and only continuing to grow.

[Shaw](#) is even more attractive, because it offers a lot of the same stability as the other telecoms, with significantly more potential to grow its business.

At a price to earnings of just 17 times, it's easily the cheapest of the Canadian telecom stocks. This growth potential coupled with an extremely low stock price make it one of the best stocks to buy today.

Plus, on top of everything else, Shaw pays a 5.2% dividend. This means it offers incredible value, growth, and income, making it one of the most attractive triple-threat stocks in Canada.

## Bottom line

The RRSP is an amazing tool Canadians have at their disposal to help save and invest for retirement. Not only can it help you to reduce the taxes you owe this year, but it also allows you to grow your money tax-free while you're investing it.

So, if you want to reduce your taxes or just start saving for retirement, the RRSP is a useful tool at all Canadians' disposal.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

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