



Millennials: Turn \$100 Into \$1,000,000 Today!

Description

While millennials may not have had an easy ride up until now, it stops today. Sure, the generation was born during a recession, entered the job market during a recession, and are now finding careers during a pandemic, but it could be worse, right?

Probably not. But that doesn't mean you can't still look forward to retirement. Heck, you can even look forward to retiring rich! It just takes some investment. And that's where things get tricky for millennials. While most have savings, only about half invest it. In fact, Canadians in general are bad. Just 15 million have a Tax-Free Savings Account (TFSA). That's 40% as of January 2021! And of those, only 9% reach the annual contribution limit.

The TFSA limit is now at \$75,500, and that number may seem out of reach for many millennials... now, that is. But if you're able to put even \$100 into your TFSA on a regular basis, you can easily turn that into \$1,000,000 down the line. And safely, to boot.

Create a list

The first thing you need to do (after you open that TFSA of course), is come up with a watch list. A watch list is a list of stocks you, well, watch. Now before you get freaked out, I'm not saying watch them every day, far from it! Creating a watch list means you can have your bank, an app, whatever tell you when a stock has reached a point you're willing to buy or sell at.

Let's say you have a tech stock you've been eyeing as it trades up. Then it suddenly drops 10% to a level you're comfortable with. Your alert will come in telling you now is the time to buy the stock! Then you do nothing. You hear me? Nothing!

Use time!

Millennials may have a lot of disadvantages, but you have one enormous advantage: time. Once you buy a stock, hold it long term. If you have strong companies that you and your financial advisor believe

will do well over the long term, then hold it long term! That gives you practically a sure thing at returns, and the easiest way to strike rich.

Consider this. You want to buy shares in a tech company like **Open Text Corp.** ([TSX:OTEX](#))([NASDAQ:OTEX](#)). It's a strong company that's been around for decades, making partnerships along the way that guarantees more revenue in the years to come. It also has a strong balance sheet and a solid business model with its cloud-based technology.

So, looking back at Open Text stock, you see that [shares](#) are up 1,194% in the last two decades! It's a relatively steady climb, with no crashes to rock bottom prices. It also has a compound annual growth rate (CAGR) of 13.65% in that time. That's strong return on investment for your TFSA. Investing \$10,000 into Open Text two decades ago would be worth \$127,689 today!

Drip feed

Finally, the last key to retiring rich as a millennial is to drip feed. If you can [afford](#) just \$100 per month towards your watch list, that's \$1,200 per year you'll be investing. If you can do more, great. If you can't, great too. The point is your investing, taking on returns you otherwise wouldn't have.

So now let's say you put that money in your TFSA, making tax-free income for years! If you continue to invest that \$1,200 every year and not more, it would take you 38 years to become a millionaire from Open Text stock. You would end up with a portfolio worth \$1.075 million!

But remember, that's a small amount to invest, and you can always invest more. And also remember: you have time! If you're 30 today, you'll have that cash when you're 68 and ready to retire.

CATEGORY

1. Investing
2. Personal Finance
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:OTEX (Open Text Corporation)

PARTNER-FEEDS

1. Business Insider
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