



Millennial TFSA Investors: Canadian Growth Stocks That Can Make You Rich

Description

If you're a millennial TFSA investor who's been regularly contributing while using the proceeds to invest in "risky" equities, you're already well ahead of the game. Far too many Canadians aren't even aware that their TFSAs can be used as a vehicle for equities. Despite the name *Tax-Free Savings Account*, the TFSA's best use is as a store of your [growthiest stock picks](#).

Now, you could be a young millennial who's saving up to get a mortgage on a home or some other major expense that'll come due over the medium term. And if that's the case, you shouldn't bet on the wildly volatile Canadian growth stocks. Instead, you should park your money in lower-risk instruments, so your money will actually be there for you once it's time to cough up a down payment, business cost, or any other coming expenses.

Millennials: Your TFSA is great for taking chances on marvelous growth companies

If you're like many millennials who aren't buying homes, having kids, or starting businesses, you may have a ridiculously long investment horizon that justifies buying and holding some of Canada's top growth stocks. Such more speculative growth plays will be a roller-coaster ride. But if you're more than willing to hang on for decades at a time, you should stash them in your TFSA. Why? All it takes is one homerun, and your TFSA will be up big, and you won't owe a dime to the Canada Revenue Agency (CRA).

You see, the TFSA can help you legally shelter capital gains and dividends from the taxman. It doesn't matter if you land a modest gain from a utility stock or a multi-bagger from a white-hot speculative play like **Score Media and Gaming** (TSX:SCR)(NASDAQ:SCR). If you've got the temperament and the time horizon, I think it only makes sense to take risks while you're still a young millennial TFSA investor.

Drawing the line between investing and speculation

One must be careful how they invest or speculate with their TFSAs, though.

There's a difference between speculative on a well-run Canadian growth company with a massive total addressable market (TAM) and foolishly (that's a lower-case *f*, folks!) putting it all on whatever instrument is deemed as "sexy" at any given instance. [Bitcoin](#), NFTs (Non-Fungible Tokens), and SPACs (Special Purpose Acquisition Companies) are just a few examples of investments that are essentially possible to evaluate.

If you can't form a valuation or if there's zero intrinsic value to be had in the case of Bitcoin or NFTs, you'll be playing the game of greater fools. Such assets are only worth whatever the next guy is willing to pay. I view Bitcoin and cryptocurrencies as akin to tulips during the 1600s frenzy. When it comes to your TFSA, I wouldn't touch such plays with a barge pole.

There are many ways to get rich — either through the long-term appreciation in wonderful growth businesses or via dangerous speculation over the near term. The latter has become quite popular among millennials of late. And it's the siren song of quick riches that ultimately leaves many millennial TFSA investors to their demise. Sure, many people will make money off unproductive or extremely overvalued investments, but there will be as many, if not more, bag holders for every newly minted millionaire.

So, if quick riches tempt you in gambles like Bitcoin or meme stocks like **GameStop**, look no further than the "losses" tag at Reddit's WallStreetBets. Learn from the mistakes of other young millennial TFSA investors and make sure you put in sufficient due diligence in the valuation process before pulling the trigger on any investment, regardless of how much your non-investor buddy made last week through speculation.

Foolish takeaway

You should take risks with your TFSA, especially if you've got a multi-decade time horizon. Canadian growth stocks look compelling after the latest "tech wreck," so look for bargains on the weakness. Think of a high-growth company that you think will be a household name in a decade from now. theScore is a firm with a front-row seat to a massive multi-billion-dollar market.

In many ways, the legalization of single-game sports betting seems to rhyme with the legalization of marijuana. That alone makes SCR stock a far better bet than today's "sexy" bubbles.

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Date

2025/07/28

Date Created

2021/03/22

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