



## Canadian Couples: Here's How to Make \$1 Million by Age 40

### Description

Can Canadian couples aspiring to become millionaires someday realize the dream? The road to wealth is open, but it requires a [concerted effort and financial discipline](#) from each individual. A Tax-Free Savings Account (TFSA) could be one investment vehicle, because money growth is generally tax-free.

Let's put forward the assumption that the partners are both 25 years old. If the goal is to have \$1 million by age 40, each person should have \$181,250 in funds invested in an asset that offers a 7% total return. The capital should compound to \$1,000,148.93 in 15 years.

### Explore the possibilities

The investment amount required to reach \$1 million in 15 years is a bit daunting. However, couples can explore other possibilities that would bring them closer to the target. I would assume further that the individual partners have opened a TFSA.

Each individual qualified for the TFSA when they turned 18 years old. Since TFSA contributions accumulate, the available contribution room in 2021 is \$50,000 per person. The next step is to pick suitable investments for the TFSA. One spouse can invest in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), while the other can invest in **True North Commercial** ([TSX:TNT.UN](#)).

The energy stock and real estate investment trust (REIT) pay an average dividend yield of 7.8%. An investment of \$100,000 will double in 9.23 years. The capital will swell to \$308,518.64 in 15 years. My point here is that it's all about time and money for [aspiring millionaires](#). If you're still short of the goal, you can be flexible and extend the time frame longer.

### Always a core holding

Enbridge is a no-brainer buy, as it's a core holding in any stock portfolio. The \$94.33 billion energy infrastructure company is a Dividend Aristocrat. Besides transporting, collecting, processing, and storing oil and gas, Enbridge is Canada's largest natural gas distributor.

The company operates high-quality liquids and natural gas infrastructure assets. It owns more than 216,000 kilometres of natural gas and active crude pipelines. The extensive network stretches across North America and the Gulf of Mexico.

While the energy sector is volatile, the majority of Enbridge's revenues are hardly affected by volume and price. The robust and stable cash flows come from long-term service contracts. The charges for the services are mainly regulated.

## Passive-income machine

True North isn't the largest REIT in Canada, with its \$608.73 million market capitalization. The tenant base reflects the resiliency and enduring leasing business. This REIT has 48 commercial properties only, yet occupancy and lessee retention rates are consistently high.

Of the total real estate portfolio, Canada's federal government is the anchor tenant in 13 commercial buildings. Provincial governments are also tenants in five rental properties. REITs are ideal alternatives to direct real estate ownership. Investors act as mock landlords minus the headaches of genuine lessors.

True North is one of TSX's passive-income machines today with its ultra-high 8.43% dividend. Couples get value for money from the less than \$10 share price (only \$7.05). You have a pure dividend play that could help start the journey to \$1 million.

## Time is a crucial resource

Young couples' most significant advantage is time. Investments could double or even quadruple over time due to the power of compounding. If a couple can start saving and investing early, the team could be millionaires sooner rather than later.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

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