



Millennials: The TSX Today Can Make You a Millionaire at 45!

Description

Canadian millennials know how to save. On average, this generation has between \$8,000 and \$25,000 in savings. Unfortunately, while millennials may be able to save money, even making more than previous generations, this group has far larger bills to pay with a 216% debt to income ratio. So it's no wonder many don't considering investing on the **TSX** today.

But even if you're able to put a little cash aside for investing, that can make you a millionaire by the time you retire. If you can invest into your Tax-Free Savings Account (TFSA) and meet the contribution limit, you can retire a millionaire at 45! It's true, and I'll show you how.

Start investing on the TSX today

You can meet with a financial advisor who can set you up with a TFSA if you don't have one. There are a lot of options once open. Speak to your advisor about your own goals. Here I'll go over some strong low-risk options when investing on the TSX today.

A great place to start is with the Big Six Banks. Right now, **Toronto Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) provides investors with the perfect growth and low-risk opportunity. The bank is second as the largest bank by market capitalization at \$153 billion as of writing. TD stock's loan programs and deposits are one of the highest, and it currently is expanding into lucrative areas to create wealth for shareholders.

This includes expanding into the United States where TD stock is one of the top 10 banks in the country. Also, it includes buying up credit card deals, entering the wealth and commercial management sector, and expanding its online presence. All of these factors provide investors with a solid growth opportunity in the years to come.

Yet the bank is one of the lower priced of the Big Six Banks, and still considered cheap. TD stock trades at 4.1 times sales, and 1.7 times book value. As the market reopens, this won't remain cheap for long. But this is still a perfect stock to buy into year after year on the TSX today.

Turn your investment into millions tomorrow

Well, not tomorrow exactly, but it will feel that way. If you're a 25 year old millennial, you have 20 years ahead to turn your investments into wealth. Let's say your goal is to reach \$1 million by 45. You now have plenty of time, but it will take consistent investing.

As I said, the average millennial has about \$20,000 in savings. I'm not saying put it all on TD stock. Instead, commit to \$6,000 each year, which is what the TFSA contribution limit has been for the last few years. By adding this each year and reinvesting dividends, you can absolutely make millions on the TSX today.

Here's how it would shake out with TD stock remaining at similar [growth](#) to the past decade. That growth has seen 11.73% compound annual growth rate (CAGR) over the last decade, and 9.81% CAGR in its [dividend](#) yield.

Year	Shares Owned	Annual Dividend Per Share	Annual Dividend	Compound Frequency	After DRIP Value	Annual Contribution	Year End Shares Owned	Year End Stock Price	New Balance
1	70.00	\$2.65	\$185.81	Annually	\$6,065.81	\$6,000.00	136.34	\$93.24	\$12,712.05
2	136.34	\$3.21	\$437.87	Annually	\$13,150.48	\$6,000.00	198.55	\$103.50	\$20,548.53
3	198.55	\$3.89	\$771.49	Annually	\$21,320.35	\$6,000.00	257.49	\$114.88	\$29,580.91
4	257.49	\$4.70	\$1,210.53	Annually	\$30,791.26	\$6,000.00	314.04	\$127.52	\$40,045.74
5	314.04	\$5.69	\$1,786.25	Annually	\$41,831.39	\$6,000.00	369.04	\$141.54	\$52,236.57
6	369.04	\$6.88	\$2,539.76	Annually	\$54,776.12	\$6,000.00	423.40	\$157.11	\$66,522.40
7	423.40	\$8.33	\$3,525.43	Annually	\$70,047.55	\$6,000.00	478.02	\$174.40	\$83,364.83
8	478.02	\$10.07	\$4,815.66	Annually	\$88,180.64	\$6,000.00	533.89	\$193.58	\$103,350.66
9	533.89	\$12.19	\$6,507.48	Annually	\$109,858.27	\$6,000.00	592.10	\$214.88	\$127,220.49
10	592.10	\$14.75	\$8,731.81	Annually	\$135,958.67	\$6,000.00	653.86	\$238.51	\$155,953.92
11	653.86	\$17.84	\$11,666.69	Annually	\$167,620.31	\$6,000.00	720.59	\$264.75	\$190,775.35
12	720.59	\$21.59	\$15,556.09	Annually	\$206,331.30	\$6,000.00	793.95	\$293.87	\$233,316.78
13	793.95	\$26.12	\$20,737.23	Annually	\$254,053.80	\$6,000.00	875.91	\$326.20	\$285,718.21
14	875.91	\$31.60	\$27,680.26	Annually	\$313,398.88	\$6,000.00	968.93	\$362.08	\$350,827.64
15	968.93	\$38.23	\$37,046.93	Annually	\$387,874.85	\$6,000.00	1076.04	\$401.91	\$432,465.07
16	1076.04	\$46.26	\$49,777.89	Annually	\$482,243.81	\$6,000.00	1201.07	\$446.12	\$535,811.50
17	1201.07	\$55.97	\$67,224.25	Annually	\$600,455.68	\$6,000.00	1343.72	\$495.19	\$665,399.93
18	1343.72	\$67.72	\$90,994.95	Annually	\$750,241.04	\$6,000.00	1509.00	\$549.66	\$829,434.36
19	1509.00	\$81.93	\$123,636.34	Annually	\$942,025.42	\$6,000.00	1703.37	\$610.12	\$1,039,210.79
20	1703.37	\$99.13	\$168,855.85	Annually	\$1,190,290.69	\$6,000.00	1935.24	\$677.23	\$1,310,608.22

As you can see, by the time you're 45 you would have \$1.3 million from reinvesting dividends and adding \$6,000 to your investment each year! That's all with just investing in TD stock. So imagine what

would happen if you started investing even more in the TSX today!

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2. TSX:TD (The Toronto-Dominion Bank)

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