Want to Retire Early? This 1 TSX Stock Might Do the Trick

Description

According to a study conducted by the **Scotiabank**, almost 70% of Canadians are worried that they are not saving enough for retirement. That's a startling number, considering that most Canadians retire past the age of 65. And if most of them are worried about not saving enough for retirement, is early retirement even possible?

Practically speaking, yes, it is, but it's challenging to achieve, especially for people who are locked in their careers and barely making ends meet. They can't be expected to save more than a set amount from each paycheque, even if they adopt a relatively frugal lifestyle, thanks primarily to the way living expenses are rising.

But for people who can put away a substantial portion of their income, start a passive-income stream, and set their money to work for their early retirement goals by investing it in the right assets, early retirement is an achievable goal. One of these "right assets" is **goeasy** (TSX:GSY) stock.

A powerful growth stock

Even before the pandemic radically altered the growth trajectory of the stock, goeasy was a robust growth stock. But its growth pace was expedited after the crash quite a bit, and it's still riding that momentum to new heights. It has been less than one-and-a-half years since the crash, and if someone had bought goeasy when it slumped, they would have grown their capital by 450%.

If you had invested $10,000 in the company 10 years ago, you'd be sitting on about $220,000 right now. However, we can't rely upon its current 10-year CAGR of 39% to sustain for a decade or so, although if it does, it will bring you closer to your early retirement goal significantly sooner. But even if you trim it down to a more reasonable number of 25%, and you have adequate capital to invest, goeasy can help you with early retirement.

$55,000 growing at 25% a year can grow to half-a-million dollars. While it's not enough for a timely retirement, let alone an early one where you have to spend more time on your savings, it can give your early retirement portfolio a powerful push. With a decade more growth and more substantial capital, goeasy and similar growth stocks can quickly get you to your early retirement goal.

The company

goeasy has an impressive presence in the country. It has 400 offices in 177 cities, but that's not the key to its success. The company has tapped into a robust market — i.e., Canadians who need a personal loan but don't have a pristine credit history or a prime score. These people can't turn to the Big Five or other financial institutions, and goeasy fills that gap.

It also offers unsecured loans and is now offering home loans, but its primary market is still people with relatively bad credit. A fast process, an impressive presence, and 30 years in the business make goeasy a very credible lender.

Foolish takeaway

While it's not overvalued from a price-to-earnings perspective, the price-to-book multiple is relatively high, and the company is expensive to be "value" attractive right now. You might consider waiting for it to slump and buy it at a more attractive valuation. It will also help you grab a more attractive yield and take advantage of goeasy's generous dividend growth.

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