



## 2 Ways to Turn \$10,000 Into \$100,000

### Description

A 10-fold increase in wealth is every growth investor's ultimate dream. Some stocks have delivered this return over the past year alone. However, investors can't count on the bull market to stretch forever. This is why they need a robust plan for long-term growth.

Here are two investment strategies that could help you turn \$10,000 into \$100,000.

### The fast way

The quick way to gain a 10-fold return is through hyper-growth stocks. Companies expanding revenue or net income at an accelerated pace should be able to expand your investments rapidly.

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a great example. The stock has delivered a 10-fold return in fewer than three years. That implies a compounded annual growth rate (CAGR) of 113%. Can it repeat that performance? It seems likely, given that Shopify has plenty of room to expand and is still registering triple-digit growth rates.

In its latest quarter, Shopify's total revenue expanded 110% year over year. Even if you assume the growth rate slows down significantly — perhaps down to 50% — the stock could expand 10-fold in fewer than six years.

Shopify is currently worth \$245 billion. Meanwhile, its largest competitor in the e-commerce space is worth US\$1.8 trillion, or CA\$2.24 trillion — so a 10-fold increase is certainly within the realm of possibility.

However, hyper-growth stocks like Shopify are relatively riskier than most investments. The growth rate could decline faster than expected, or a new competitor could emerge to disrupt the industry. That would throw your investment strategy off the rails. If you're looking for a safer, slower way to create wealth, you may need another approach.

## The slow way

If you're patient, you don't need cutting-edge tech stocks to create wealth. All you need is a robust company with market dominance, a lucrative dividend yield, and steady dividend growth.

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a [great example](#). The stock price has expanded by 6.4% CAGR over the past 10 years. Meanwhile, the dividend yield has been roughly 6% over that period. Combine the two and you have a recipe for steady and predictable wealth creation.

Over the past 15 years, BCE has delivered a total annual return (dividends + capital appreciation) of roughly 9.3%. At that pace, you can turn a \$10,000 investment into \$100,000 in little over 25 years. Put simply, you could deploy a lot of cash in BCE stock, even if you're older than 45, and still create enough wealth to retire by the time you're 70.

The advantage with this slow-burn method is that it's much more predictable. BCE's dominance of Canada's telecom sector isn't likely to fade. Meanwhile, demand for wireless services and data is set to increase dramatically in the decades ahead. Buying BCE for your long-term retirement portfolio is simply an easier bet to make.

## Bottom line

A 10-fold return is difficult but far from impossible. Investors simply need an effective long-term strategy. Focusing on hyper-growth stocks like Shopify is riskier but usually quicker. Meanwhile, slow-burn dividend-growth stocks like BCE can deliver 10-fold returns if you're willing to wait a few decades.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:SHOP (Shopify Inc.)

### PARTNER-FEEDS

1. Business Insider
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