



Millennials: How to Make \$1 Million in 15 Years

Description

Millennials have gone through a lot in the last year and a half. In fact, millennials have been through a lot *period*. They were born during a recession, entered the marketplace during a recession, and are trying to start a life during a pandemic. But, it's made this group of individuals *great* savers.

Yet for all that saving, a lot of millennials weren't investing. Then came meme stocks. Suddenly, millennials thought they could strike it right overnight! Add to that the cryptocurrency boom, tech stock growth, and you had a market where everyone wanted in on the action.

But here's the issue: that growth doesn't last. In fact, it takes on unnecessary risk in *most* but not all cases. While there were a lot of great tech stocks to choose from, for instance, many are now trading at levels not seen in a year!

Don't fret, however. If you're a Motley Fool millennial looking to make millions, you still can! All it takes is some patience. But it pays off, literally. Let me show you how.

The drip-feed

Now let's say you're one of the millennials who have started investing. You've put a few thousand bucks aside, and are now waiting for it to grow because it's all you can afford right now. But is it *really* all you can afford? Yes, you're a [great saver](#), but instead of spending on meal delivery, maybe it's time to look at your budget and start putting cash aside every month.

That's all well and good, but how do you remember? Simple: automated payments. For example, you can make an automatic payment into your Tax-Free Savings Account (TFSA) every month. If Motley Fool investors know when you receive a paycheck, then on *that date* have your investment cash transferred into your TFSA (being mindful not to exceed your contribution limit eventually).

Keep that going for years and suddenly you'll have thousands in savings. So how do millennials hit a million? Easy, the right stock.

Dividends on dividends

Millennials will need the right stock to help you hit the million-dollar mark. Motley Fool investors who have visited the site for years likely already know where I'm going with this. You simply put that compounding to work. You first invest what you have in some stocks. Then, when your automated payment goes in, create an alert for when there's a slight drop in share price (say 5%). Once that happens, go in and buy some stock for a quick rebound!

Now add a dividend stock. Millennials will then get cash every quarter, sometimes each month, to put toward your passive income. Over time, this alone adds thousands to your portfolio. In this case, a great option right now is **Fiera Capital** ([TSX:FSZ](#)). This investment manager invests in growth and value stocks of small-cap companies, so it's like having someone do your investing for you! Shares are up just about 3.5% year to date, yet it's still a great deal for two reasons. First, the 2.6 price-to-book value and also the [dividend yield](#) of a whopping 8.05%.

The end result

Now let's say you started with \$5,000 invested, adding \$500 each month to your TFSA. Millennials then take your dividends as you earn them and add them to your shares. In the case of Fiera, shares have grown at a compound annual growth rate (CAGR) of 10.23% over the last decade (including that market crash). And dividends have grown at a CAGR of 9.24% in the last five years.

By drip-feeding this exact amount into your investment, if growth remains the same for dividends and shares, you would have a portfolio worth \$1,034,944.14 based on today's share price! Not bad for automated payments. And it's far safer than meme stocks for millennials.

CATEGORY

1. Dividend Stocks
2. Investing
3. Personal Finance

TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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5. Quote Media
6. Sharewise
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Author

alegatewolf

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