2 Growth Stocks That Could Double Your TFSA

Description

A person with a $100,000 annual income is allowed to contribute (in any given year) about three times more to their RRSP than their TFSA. The difference might not matter much to people who are not financially strong enough to max out both. They can lean heavily towards the TFSA or contribute equally to both.

But for the people who can and do max out both their TFSAs and RRSP, the difference seems quite stark. If that's you, and you wish to balance out your TFSA and RRSP stocks without slashing your yearly contributions down to two equal portions, one way is to invest a decent amount of growth in your TFSA portfolio.

Even safe growth stocks that take a few years to double your TFSA capital can make a lot of difference. And there are two such stocks that should be on your radar.

A repair centre group

Considering that there are about 1.4 billion cars in the world, and more than one-fifth of them are in the U.S. and Canada alone, a comprehensive auto repair business like **Boyd Group Services** (TSX:BYD) in the two countries is almost evergreen. The company operates one of the largest non-franchised collision repair centres chains in North America and has five brands under its banner.

The company is a solid investment for a number of reasons: its geographically diverse presence, an evergreen business, and stable revenue streams (insurance companies). But the most attractive reason for investors would be its powerful growth potential.

The stock has been a steady and powerful grower, and in the last decade, it has grown almost 3,000%. The 10-year CAGR of 41% is enough to double your TFSA funds in fewer than three years. The stock is aggressively overpriced right now, but if it can maintain its growth pace for even a decade, it would be worth every loonie over its fair price.

A tech stock

Nuvei (TSX:NVEI) is a relatively fresh tech stock, but it has already established itself as a consistent, reliable, and powerful growth stock. The company started trading on the TSX somewhere around September 2020 at $46 per share. The price has already grown over three times, and Nuvei is trading at $156 per share now. That represents a 238% growth — more than enough to double your TFSA.

The stock is overpriced right now, but if it goes through a significant correction and you can buy this stock at a lower price (ideally at two digits), you might consider buying it. The nature of its presence (digital payment solutions) and the fact that it already has the infrastructure and international presence to come up with crypto payment solutions (once the official adaption as currency starts to gain traction) make it an attractive long-term buy.

Foolish takeaway

If you can double your TFSA every few years (with the right growth stocks) and have a more conservatively/gradually growing RRSP portfolio, you might be able to balance the two out by retirement (depending on how many years you have between now and then).

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:BYD (Boyd Group Income Fund)
2. TSX:NVEI (Nuvei Corporation)

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