



## TFSA 2022 Limit: How to Invest \$81,500

### Description

Unlike the RRSP contribution room, which is determined as a percentage of the contributor's annual income, the TFSA contribution room is fixed. That's usually not an issue for investors that are unable to max out their TFSAs, but for investors that earn enough to max out both registered accounts, the relatively small contribution room seems like a forced limitation.

But even though the yearly contribution limit of \$6,000 might not look like much to relatively affluent investors, the cumulative contribution room, which will reach \$81,500 in 2022, is quite a sum. And it can help you grow a massive nest egg with suitable securities.

### A powerful growth stock

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) is one of the two major railway stocks in the country. While not very consistent, it's also one of the modestly powerful growth stocks currently trading on the TSX. The 10-year CAGR of 17.6% is a good indication of the company's growth potential, and it looks quite promising.

If you were to invest a bit less than one-third of a fully-stocked TFSA in this company (\$27,000) and it can keep up its current capital appreciation pace, you can expect a \$130,000 nest egg in a decade with just this one investment. The company is also an established dividend aristocrat, but the 1.5% dividend yield pales compared to its growth potential.

### A reliable dividend stock

TFSAs are great to start a passive income stream. If you divert a sizeable enough sum (\$27,000) from your well-stocked TFSA to an [excellent dividend stock](#) like **SmartCentres REIT** ([TSX:SRU.UN](#)) with its 6% yield, you can expect a healthy monthly income of \$135, completely tax-free. And since the REIT is an aristocrat, you can expect your income to grow every year.

The REIT operates the most extensive portfolio of unenclosed shopping centres in the country, a niche

asset class within commercial real estate. A significant competitive edge the REIT has over its competitors is that the bulk of its properties are anchored by a single tenant: Walmart. This has allowed the REIT to create a decent tenant portfolio, which endorses the financial sustainability of its payouts.

## An aggressive but risky growth stock

**HIVE Blockchain Technologies** ([TSXV:HIVE](#))(NASDAQ:HVBT) is [a volatile stock](#), thanks to the underlying asset/technology. As a publicly-traded crypto miner of both Bitcoin and Ethereum, the stock follows the movement of Bitcoin, though not quite faithfully. This benefits the investors since, most of the time, the growth HIVE offers is exaggerated compared to Bitcoin itself.

In the last five years, the stock has spiked twice. Once, it grew over 4,000% in about 11 months, and the second time, i.e., the post-pandemic growth spurt, the stock rose over 6,000% in a bit over 13 months.

It might not be prudent to divert a lot of your TFSA capital to a wild-card stock like HIVE technologies, but even if you invest just \$5,000 and can take advantage of a powerful spike, say 3,000% growth, you can turn your seed capital into a \$150,000 nest egg.

## Foolish takeaway

[Your TFSA](#) can be a powerful wealth-building tool if you use it the right way. You should not try and go over your contribution room and receive a tax penalty from the TFSA to invest more than you are allowed. In the right stocks (like these three), you can easily grow a fully-stocked TFSA into a quarter of a million in a decade *and* start a small passive income with part of the capital left over.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
4. TSXV:HIVE (Hive Blockchain Technologies)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

## PP NOTIFY USER

1. adamothonman
2. gsmiley

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/20

## Date Created

2021/12/16

## Author

adamothonman

default watermark

default watermark