



## What to Do With Your \$6,000 TFSA Contribution Limit in 2022

### Description

Whether you're saving for a short- or long-term goal, a [Tax-Free Savings Account](#) (TFSA) could be the right choice. Short-term savers benefit from the penalty-free withdrawals that can be made at any point in time. Whereas long-term savers largely benefit by not needing to pay any tax on compounded gains.

The contribution limit for TFSAs in 2022 is \$6,000. However, unused contributions from previous years can be carried over from year to year. For Canadians aged 18 or older in 2009, the total TFSA contribution in 2022 is actually \$81,500.

### What should you own in your TFSA?

When it comes to contributing to your TFSA, Canadians have a few options. For those saving for a short-term goal, a low-volatile option, such as cash, may be your best bet. But if you're not planning on touching your savings for five years or longer, owning more [growth-oriented](#) funds, such as stocks, makes much more sense.

One of the main advantages of a TFSA is not needing to pay any tax on capital gains. Year after year, your investments can compound completely tax-free. And then once you're ready to withdraw your funds, you still do not need to pay any tax.

Let's say, for example, you max out your TFSA in 2022 with \$6,000 invested into a variety of different [Canadian stocks](#). If that \$6,000 were to grow at an average annual growth rate of 8%, it would be worth more than double that in 10 years.

You can now imagine the magnitude of compounded gains you could accumulate if you were to max out the total TFSA contribution limit of \$81,500 — especially if you have the time horizon to let your investments grow for decades.

If you're saving for a long-term goal, here are two Canadian stocks that should be on your radar this year.

## Brookfield Asset Management

**Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) is an excellent stock choice for both new and seasoned investors.

The \$120 billion company is a global asset manager with investments spread across a range of different industries. As a result, shareholders benefit from the diversification both geographically and through different sectors of the market.

Shares are up a market-beating 160% over the past five years. That's good enough for more than triple the returns of the broader Canadian market. And with 50% of that growth coming in 2021, Brookfield Asset Management doesn't look like it's anywhere near slowing down.

## goeasy

**goeasy** ([TSX:GSY](#)) has quietly put together an incredibly impressive track record of growth over the past decade. Shares are up more than 600% over the past five years and are nearing a 2,000% gain over the past 10 years.

Growth like that is definitely surprising to see for a company in the financial services sector. goeasy has carved out a lucrative niche for itself as a consumer-facing loan provider. The company specializes in home and auto loans, but Canadians can access a range of different types of loan support from the company.

The country's reopening could send this stock soaring even higher. There's plenty of pent-up consumer demand for discretionary spending due to the pandemic, which I'm betting will eventually lead to a spike in demand for goeasy's products and services.

If you're looking to drive growth in your TFSA, this Canadian stock should be at the top of your watch list.

### CATEGORY

1. Investing
2. Stocks for Beginners

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2. TSX:BN (Brookfield)
3. TSX:GSY (goeasy Ltd.)

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