



## 2 Cheap, High-Growth Stocks to Buy in Your TFSA Today

### Description

Tax-free withdrawals are not the only reason why Canadians should be maxing out their [Tax-Free Savings Accounts](#) (TFSA) each year. The flexibility from tax-free withdrawals is certainly one of the key selling points of the TFSA, but it's not the only one.

As the name suggests, there are tax benefits to contributing to a TFSA. Any cash contributed to a TFSA can be withdrawn at any point in time, completely tax-free. As a result, the savings account can be a great choice for anyone saving towards a short-term goal.

But even if you're saving towards a long-term goal, a TFSA can still be an excellent choice. In addition to tax-free withdrawals, capital gains and dividends are also not taxed, meaning that your investments can compound year after year, without you ever needing to pay any tax on those investment gains or [passive income](#).

### Maximizing your TFSA contributions

The total TFSA contribution limit for Canadians dating back to 2009 is \$81,500. Don't worry; unused contributions can be carried over from year to year.

If you're saving for retirement, \$81,500 may fall short of your savings goal. But let's assume you've got decades of time before leaving the workforce. At an average annual return of 8%, an \$81,500 investment made today would be worth close to \$400,000 in 20 years. In 30 years, it would be worth more than \$800,000. And don't forget, you can withdraw that money completely tax free.

For Canadians that are planning on using their TFSA to save towards a long-term goal, I'd suggest investing in stocks. I've reviewed two top Canadian [growth stocks](#) that have the potential to earn far more than 8% a year over the coming decades.

If you're interested in either of these companies, I'd act fast. Both stocks are trading at a [discount](#) right now, but I don't think that will last for much longer.

## Lightspeed Commerce

I'd only recommend investing in **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) if you've got a long-term time horizon. The growth stock has had an incredibly volatile past six months. And as long as it continues to be priced at a premium, I'd expect the high levels of volatility to continue.

But over the long term, there are plenty of reasons to believe that the [tech stock](#) can be a market-crushing performer. Lightspeed has done a terrific job both expanding its product offering and international presence.

Shares are up more than 100% since Lightspeed went public in 2019. But after a steep selloff that began a few months back, the tech stock is now trading more than 50% below all-time highs.

Now would be a wise time to start a position in the high-growth tech company. This is a discount you won't want to miss.

## goeasy

For those looking for a less-volatile growth stock, **goeasy** ([TSX:GSY](#)) is a solid choice.

The consumer-facing financial services company has quietly put together an impressive market-beating track record. Shares are up close to 500% over the past five years. In comparison, the **S&P/TSX Composite Index** is up less than 50%.

Considering the growth that goeasy has put up in recent years, shares are very reasonably priced. In addition to trading 20% below 52-week highs, the growth stock is currently valued at a forward price-to-earnings ratio of barely over 10.

There aren't many companies on the **TSX** trading at that kind of valuation with the same type of track record of growth as goeasy.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

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2. TSX:GSY (goeasy Ltd.)
3. TSX:LSPD (Lightspeed Commerce)

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