



## 2 TSX Stocks to Turn a \$20,000 TFSA Into \$2 Million

### Description

If you're a Motley Fool investor, you likely already have a Tax-Free Savings Account (TFSA). And it's no wonder. Since 2009, investors have been given contribution room to put cash aside tax-free. That cash can be used for investments, including through dividend stocks.

Dividend stocks in particular have been a huge win for TFSA investors. They can turn a small investment into thousands of dollars. But what if you want millions?

Today, I'm going to look at how long it would take to turn a \$20,000 [portfolio](#) into \$2 million and two stocks to get you there.

### The stocks

If you're going to invest \$20,000 right now, you want to make sure you're investing in companies that will be around decades from now, because it's going to take a few decades to get to \$2 million. For that, I would look to Dividend Aristocrats that remain major competitors in their respective industries.

First, I would look to the Big Six banks. These banks have performed well during economic downturns, recovering to pre-crash levels during the last several downturns within a year. That includes **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), which offers the highest dividend.

Today, you can pick up CIBC stock for a steal trading at 9.6 times earnings and with a 4.62% dividend yield.

Then there's the telecommunications sector. There is little competition within this sector, but above them all has to be **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). It holds the market share of Canadian [telecommunications](#) customers and offers a substantial dividend of 5.26% as of writing.

Given that 5G and BCE stock's wireline business will only see more use, this is a strong stock to pick up for decades of growth.

## The strategy

Let's say you chose to put \$10,000 towards CIBC stock and \$10,000 towards BCE stock. Over the last decade, shares of CIBC have grown at a compound annual growth rate (CAGR) of 6.87%. Meanwhile, its dividend has grown at a CAGR of 6%.

For BCE stock, the company's shares have grown by a CAGR of 5.76%, with its dividend rising by a CAGR of 5.41% during that time. So, let's look at how long that investment would take to reach millions by reinvesting your dividends.

For CIBC stock, if the same performance over the last decade continues, it would take 42 years to reach \$1,127,384. That's with reinvesting dividends but not adding a penny more over the \$10,000. The same goes for BCE stock. In this case, it would take 45 years to reach \$1,059,831 and pass that million-dollar mark.

However, taken together, if you invested in both over 43 years, you would have \$813,240 from BCE stock, and \$1,274,283 from CIBC stock. Together, that would create a portfolio worth \$2,087,523!

## Bottom line

While this is, of course, just an example, because anything can happen, it just goes to show that choosing strong companies can bring in millions — even if you don't invest another penny after the initial investment. That being said, you could shorten up that time frame significantly by reinvesting in these strong stocks and hitting \$2 million much sooner.

### CATEGORY

1. Investing
2. Stocks for Beginners

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BCE (BCE Inc.)
4. TSX:CM (Canadian Imperial Bank of Commerce)

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