



How to Turn an \$81,500 TFSA Into \$1 Million

Description

There are three simple variables in the equation of financial growth through stock investments, plus a sizeable number of other, constantly changing, and unpredictable variables. These three variables are capital, time, and assets (with their own capital-appreciation rate — another variable).

If you are adamant about using a fully stocked TFSA to reach a financial growth goal of a million dollars, we have a value for the capital variable.

Let's look at another variable (assets) and how much time they would need to reach that goal *if* they keep growing at their current pace.

A tech stock

Few stocks in TSX have had as consistent a growth history as **Constellation Software** ([TSX:CSU](#)). Apart from a few dips and upward sprints, the stock has mostly gone up steadily since 2006. In the last 10 years, it has returned roughly 2,000% to its investors. And that's taking the current dip into account, which has already pushed its value down 18%, the discount you can currently buy it for.

Even if we assume that the former growth pace was due to the company growing to maturity and from now on, it would only perform half as well (1,000% in a decade, or 100% a month), your \$27,000 in it (Roughly one-third of a fully stocked TFSA) would still grow about \$540,000 in two decades. And if it keeps growing at its current pace, you may reach that number in one decade.

A specialty real estate company

Storage facilities may seem like a subdued class of real estate assets, but they have helped **StorageVault Canada** ([TSX:SVI](#)), one of Canada's [top companies](#) in this space, grow at a robust pace. The company has developed an impressive reach thanks to the eight brands under its banner, and the portfolio has reached 96,000 individual storage units.

Its growth in the last decade has been even more impressive than Constellation Software's at 2,300%. Half of it would be about 1,150%, and if you invest \$27,000 in the company, and the stock keeps going the way it has (half its pace, actually), you will reach roughly \$620,000 in two decades. The stock is also currently available at a small 11% discount.

Given two decades, two-thirds of a full TFSA (\$54,000), and two robust growth stocks appreciating at half their former pace, you *can* theoretically reach one million quite easily. But there is a reason we will consider the third stock as well.

An e-commerce company

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)), an [e-commerce company](#) once hailed as the next **Shopify** with unprecedented growth potential, has been going down for about nine months now and has fallen over 82% from its last peak. Part of it is the tech sector's decline as a whole.

The other two known factors are the e-commerce boom slowing down after the pandemic and a report identifying Lightspeed's shortcomings and misrepresentations.

However, when the stock was actually growing, it had quite a decent pace. Since its inception in August 2019 and its peak in September 2021, it has grown about 325%. So, that's roughly 300% in three years, or 100% a year.

Since it's available at such a hefty discount, we can assume that if it goes bullish again, it *may* grow at its former pace, rather than slowing down to half of it. So, at 100% a year, it may offer the same growth for your \$27,000 TFSA capital that Constellation would — \$540,000.

Foolish takeaway

If you have just two decades till retirement, one fully stocked TFSA, and only two out of your three investments performed as per your projections, you can easily make a million-dollar nest egg in [your TFSA](#). And if the third investment beats all odds and offers growth potential similar to what Shopify did, you can have a much larger nest egg.

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1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SVI (StorageVault Canada Inc.)

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