How to Turn Your $10,000 TFSA Into $100,000

Description

With consistent and predictable growth stocks, it's pretty easy to achieve 10-fold growth, assuming you have enough time. However, such stocks are relatively rare, and markets can radically change in years, let alone decades.

And even if you ignore small slumps and dips, severe external forces that rock the stock market to its core are not very rare. We've already seen a recession-driven market crash and a pandemic-driven market crash in the last 15 years.

Most strategies for this type of growth, especially if you are *not* going with a linear growth stock, are usually complex and require a very healthy risk tolerance. So, for most investors, it's a good idea to stick to more straightforward strategies and pick good businesses that are expected to rise at a steady pace in the foreseeable future and have enough stability to stay afloat, despite market headwinds.

So, if you are planning to grow $10,000 savings in your TFSA into a $100,000 nest egg, you can get different timelines with different stocks.

The stock to buy if you have three decades or more

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is a large-cap asset management giant headquartered in Toronto and with assets all around the globe. Its key focuses include infrastructure and renewables — the two areas in which the company has two dedicated publicly traded subsidiaries.

The company is stable and future-facing, with a geographically and categorically diversified portfolio of assets.

It's also a pretty decent growth stock that has mostly gone up since 2009. In the last decade alone, the stock price has gone up roughly 327%, and the total returns are much higher (if we include dividends).

And if it keeps growing at the same pace for the next three decades or so, you are highly likely to raise your $10,000 investment capital to $100,000 in three decades. You might be able to shorten the timeline by a small margin by going for the DRIP.

The stock to buy if you have less than a decade

A stock like **goeasy** (TSX:GSY) would be ideal for your 10-fold growth goal if you are short on time. This alternative financial company has been growing at an epic pace, and even though it's heavily discounted right now and is in full correction mode — i.e., the stock is already 50% below its last peak — the 10-year price growth is still formidable at around 1,400%.

So, if the company keeps growing at this pace, you can easily turn your $10,000 into $100,000 in less than a decade. And if you buy now or wait for the stock to bottom out entirely, you will also lock in a decent yield (3.3% right now).

This might not seem like an added bonus by itself, but the company's dividend-growth rate has been quite impressive so far and matches its capital-appreciation rate (at least in momentum).

Foolish takeaway

You can use your TFSA for different financial goals. It can be a retirement nest egg holder or a powerful resource for building/growing funds for your short-term needs. Similarly, the two stocks also serve two different purposes. The long-term grower might be ideal for your retirement funds, while the rapid grower can be used to grow funds for your down payment on a house.

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