



## How to Turn a \$1,000 TFSA Into \$10,000

### Description

It could be considered simple to get 10-fold growth if you have time on your hands. Here at Motley Fool, we think that a long-term growth strategy is one of the best.

The problem is that we don't necessarily all have that amount of time to invest. You might be about to retire and could use that money to see you through the transition. You might not have much to invest in the first place, as you have a family to support. Or with inflation, it just doesn't seem like consistent payments for investments is feasible right now.

Even if you have a small amount of money to invest, you want to make it work for you. That being said, you also should stick to a straightforward approach. This means choosing strong businesses with solid foundations and purchasing them at valuable prices. That's definitely easier said than done.

Today I'm going to go over two stocks and timelines that could turn just \$1,000 in savings in your [Tax-Free Savings Account](#) (TFSA) into a \$10,000 portfolio, all tax free.

### Buy this stock if you have over a decade to spare

**CGI Group** ([TSX:GIB.A](#))([NYSE:GIB](#)) is a large-cap information technology and business process provider headquartered in Montreal. The company has assets that span the world, focusing on growing its business mainly through acquisitions. It provides start-up costs and helps manage companies in practically every industry from rail and utilities to retail and even space.

CGI stock is a strong company with stability through its long-term contracts with financial institutions, government agencies and more, along with its stable growth-through-acquisition strategy. It now operates a hugely diversified portfolio, seeing stable stock growth over the past few decades.

Shares have grown steadily by 328% in the last decade, with only a few hiccoughs during the recent tech fall. Even then it was certainly not as heavy as the rest of the industry and has since almost rebounded completely. That's because the company was able to prove that its revenue remains strong, with profit up yet again during its latest quarter. It reported \$1.53 per diluted share compared to \$1.34

the year before, beating estimates.

If shares were to keep growing at the same rate, it comes to a compound annual growth rate (CAGR) of 15.9%, you could raise over \$10,000 in just 16 years.

## Buy this stock if you have less than a decade

If you're looking for 10-fold growth in under a decade, I would recommend **Magna International** ([TSX:MG](#))([NYSE:MGA](#)). This auto-parts manufacturer grew at an astounding pace but has since fallen due to the fall in electric vehicle stocks and supply-chain issues.

That being said, the company now trades at a huge discount. Shares are still down 31% from all-time highs. Meanwhile, shares have increased 285% in the last decade. You'll notice that's less than CGI; however, if you consider the growth it reached before the recent fall, shares were up 492%.

In the last month, shares have been rebounding, as analysts weigh in on the future of the stock. As companies continue to make partnerships with Magna stock, it will continue to pump out electric vehicle parts for the electric vehicle transition. This will provide it with substantial revenue once supply-chain demands are fixed.

So, if you want a company growing at a fast pace, you could turn that \$1,000 into \$10,000 in just a decade. That comes with reinvesting dividends that currently sit at 2.77%. Furthermore, right now, you can lock in a great deal with shares down as they are, trading at just [15.85 times earnings](#) — all while that dividend continues to grow at an astounding 15.71% CAGR.

## Foolish takeaway

Motley Fool investors can use their TFSA for many financial goals, but there's only so much cash some of us can put away. These examples show that even \$1,000 invested in the right stock can grow 10-fold in just a decade or more. If you have short-term needs — no worries. And if you can put more towards your stake, that's great! Just use your funds for whatever purpose you need in the short and long term.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:GIB.A (CGI)
4. TSX:MG (Magna International Inc.)

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