



TFSA or RRSP: How to Turn Your \$10,000 Into \$100,000

Description

Motley Fool investors who want to create substantial wealth need not worry about today's market downturn. While the downturn is scary, long-term investments are what really pay out. In fact, you can turn a Tax-Free Savings Account (TFSA) or Registered Retirement Savings Plan (RRSP) from \$10,000 into \$100,000 quite easily.

All it takes is a consistent strategy — one that should be discussed with your financial advisor. They will help you create a budget, decide how much risk you're comfortable taking on, and how to meet your long-term goals.

By doing this, you'll see practically any stock climb 10-fold over the years, but not *every* stock. So, today I'm going to look at two choices I would make that should continue seeing strong gains — strong enough to turn your \$10,000 into \$100,000, based on your TFSA and RRSP.

An RRSP stock

If you're looking for a long-term investment that's going to grow 10-fold over the next few decades, I would consider putting it in your RRSP over a TFSA. The RRSP does have options for if you want to take out funds earlier. However, mostly you will be taxed should you take funds out.

With this in mind, it's a great choice if you want to create retirement funds. That means choosing a stock that will see strong, stable growth in the years to come. Furthermore, you likely want to have passive income that you can reinvest in the stock on the TSX today.

So, a strong choice to me would be the energy sector, but specifically renewable stocks. These are going to be a significant growth opportunity over the next few decades, with a few bumps before then. Of the [renewable stocks](#), I'd choose **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield offers a diversified portfolio of assets around the world. It's creating partnerships throughout Europe where there's a massive transition to renewable power. Shares are up 196% over the last decade, with returns even higher when dividends are included.

Let's say you were to see shares continue to grow at this pace and reinvested dividends in your RRSP. Motley Fool investors could see your \$10,000 on the TSX today turn into over \$100,000 in just 18 years.

A TFSA stock

For a TFSA, you may need that cash sooner. So, you want two things to happen. First, you want it to grow as quickly as possible while still remaining stable. Then you want the option to take it out tax free at any point.

With that in mind, the TFSA for Motley Fool investors is perfect for those saving for a house, car, or even just an emergency fund. Besides, even if you don't use it, you can always put it towards retirement in the future. So, it's a jack-of-all-trades type of portfolio.

For that, I would choose a company like **CGI Group** ([TSX:GIB.A](#)) ([NYSE:GIB](#)). This tech stock has been around for decades and yet hasn't suffered like many other [tech stocks](#). That's because it has a growth-through-acquisition strategy that's been working for decades.

Shares are up 318% in the last decade along for your TFSA on the TSX today. If the company keeps this solid pace, it offers a CAGR of an incredible 16.23% as of writing. Now, you don't get a dividend yield, and that's a drawback. But you do get substantial and stable growth that's seen its way through multiple downturns.

To increase your \$10,000 investment on the TSX today into \$100,000, it would take under 16 years.

Foolish takeaway

No matter what your goals are, Motley Fool investors can use their TFSA and RRSP to reach them. These stocks on the TSX today offer strong, stable opportunities for growth that you can take out when the time is right. In just under two decades, you could have two portfolios with over \$100,000 to brag about.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:GIB (CGI Group Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:GIB.A (CGI)

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