



## 1 TSX Stock to Buy in the Market Selloff That Could Make You a Millionaire

### Description

Several factors can make you a millionaire sooner:

- Savings
- Investing (buying good stocks in a market selloff helps tremendously!)
- Time staying invested

### How much are you saving regularly?

Saving regularly or spending less than you earn is the first step in working towards being a millionaire. Ideally, you would pay off your consumer debt, such as credit card debt, every month with money left over.

The general rule of thumb is to save 10-20% of your after-tax income. When you're able to save every month, wealth building begins. The earlier you start saving, the better. But you shouldn't stop there. Let's say you're saving \$500 a month; it'll take more than 166 years to reach \$1,000,000!

After building an emergency fund that covers three to six months of your living expenses, you should consider putting excess cash to work by investing it for satisfactory returns.

### What rate of return are you achieving?

The higher your savings rate and the higher the rate of return you can achieve for your investments, the sooner you'll hit \$1,000,000. This is where buying good **TSX** stocks in a market selloff comes in.

Despite the stock losing half of its value in this market selloff, **goeasy** ([TSX:GSY](#)) stock has still delivered a compound annual growth rate (CAGR) of about 33.7% in the last 10 years! It is clearly a market outperformer.

It made millionaires of goeasy stock investors who'd invested approximately \$54,788 a decade ago.

Most people don't invest in such a big lump sum, though, unless they've got an inheritance. A more common scenario is for investors to invest much smaller amounts (their savings) periodically.

goeasy also happened to experience a decade of massive growth, resulting in an earnings-per-share (EPS) growth rate of about 29% per year. It's a big question mark on whether it can achieve that kind of growth over the next decade.

## Give time for your investments to grow

I believe the non-prime consumer lender is essential in serving a certain niche of Canadians who can't borrow money from traditional means. Throwing in inflation (especially as high as it is now), there's a good chance the company can increase its EPS at a CAGR of about 15% over the next few years.

Let's be more conservative and say it increases its EPS by 12% per year over the next 10 years, continues to pay a yield of about 3%, and steadily fills the undervaluation void to deliver annualized returns of about 17% per year. By investing \$500 a month at the beginning of each month, investors will arrive at \$146,434 at the end of the decade. To achieve \$1,000,000 under this scenario, an investor will need to invest \$3,414.50 every month instead.

The earlier you start investing, and the longer your money stays invested for a satisfactory return, the sooner you could become a millionaire.

## goeasy stock could make you a millionaire (or get you much closer to being one)

The market selloff has dragged goeasy stock's valuation down, making it discounted by about 20% from its long-term normal valuation. Heck, analysts think the stock is on a big sale — it's almost half off!

The TSX stock yields about 3.4% and could very well deliver annualized returns of 17% over the next decade, which would outperform the long-term average market returns of 7-10%. Therefore, no matter what, it's a good time to accumulate goeasy shares.

That said, it'd be smart to not put all your eggs in one basket. Check out other [top TSX stocks](#) as well.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
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#### **Date**

2025/09/18

#### **Date Created**

2022/07/26

#### **Author**

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